

A LONELY WALK
in the Dhaka Stock Exchange

Diary of an Investor with Real Data

Md. Shariful Islam

First Published, 2022
First Reprint, 2023
Copyright © Md. Shariful Islam 2022
All rights reserved.

Editing and compilation by Rawnak Sadat

Cover design by Md. Mosharrof Hossain

ISBN : 978-984-35-2316-7

Published by:
Chayabithi

Printed at:
SGS Enterprise
51-51/A, Purna Paltan, Dhaka-1000
Bangladesh

*To my father,
Md. Nazrul Islam
and
my sons,
Rawnak Sadat and Rayyan Sadat*

Contents

Foreword	5
<i>One</i>	
Uptrend in a Downtrend Market	6
<i>Two</i>	
Introducing DSE	17
<i>Three</i>	
Business Analysis	34
<i>Four</i>	
The Portfolio	43
<i>Five</i>	
Last Words	126
WARning	158
Updates	158
Notes	161

A LONELY WALK

in the Dhaka Stock Exchange

Foreword

In this book an investor's experiences in the Dhaka Stock Exchange(DSE) have been documented. To keep the investor anonymous, he has been written as 'I'. For this purpose, the author has furnished the whole story or data and experiences of the investor as an autobiography of investment. The first interview was taken in the year 2019. After that interview the book was drafted. Due to COVID 19 the publishing was delayed until 2022. Therefore, the author once again reviewed performances of the stocks of the investor. Review is presented in the last section in this book. For charts, online site Stockbangladesh has been used. Mr. Ahsan also helped the author by creating charts using Amibroker. The author is also grateful to Md. Mosharrof Hossain, Rawnak Sadat, Farhan Mehbub Ronok, Dil Afroz Binte Aziz, Nawaaz Kadir Nibir and Akramul Haque. Asif Alim Bin Nur and Mahadi Hasan agreed to work with the author though finally could not attach themselves. In this book the author quotes Peter Lynch and Benjamin Graham the most because the author feels that their suggestions fit in the studied case's mistakes and strategies most. According to the author of this book the investor who has been used as a case, walks alone and almost against the stream of the market.

ONE

Uptrend in a Downtrend Market

This book is about story of an investor in Bangladesh who shows courage to walk alone against the stream of trading based on information of gambling at Dhaka Stock Exchange (DSE). He (Henceforth he has been mentioned as 'I') had to survive in a place which lacks governance and accountability. What I have understood is that it is difficult to survive here for general investors, while so far I did. But I cannot guarantee of my survival in the future. So, before I disappear, I want to tell you how until date I did survive here. I sincerely seek your patience in reading my story. Here I shall tell you my true investments in stocks, my analyses, outcomes and learning from the cases. I believe that my approaches may help beginners in learning how to survive in a yet to be efficient capital market. Survival may let them get strength to learn further from high profile investors around the world to grow further to the level that I could not achieve. Please note again, there is no theory in this book. There is no accumulation of techniques that may guide you in your investment process. This book is also not a list of suggested stocks for investment. But it is my lifetime experience of investment in Dhaka Stock Exchange. It is a case study of survival ignoring market trend. Survival walking alone against the mainstream of gamblers. In stock market I don't have any rivals or competitors. Because I buy those stocks where I find others are not interested in because most investors want to make money quick. I don't expect to. I prefer to invest my money in an asset that will give me growth and high dividend as return in the future. Most are not interested in it. Because of this, I don't have problem telling you my story as

I have doubt that you will be my companion. But if you like my way, let us move ahead.

In this book I have explained my experiences in capital market of Bangladesh. I have doubt that this book will find many interested readers. Because I am not telling you about how I became a multi-billionaire and still I am not or because I am not telling you a story from Wall-Street. It is about a less efficient capital market where it is difficult to sort out a method to achieve success by investing. Yes, there are people who made millions here too. But many of them by manipulations or walking with them. They are insiders or financial institutions or powerful people in the society. By the term investors I mean those who should know how to make money by investing and utilizing basic investment knowledge. In capital market of a country like Bangladesh it is difficult for this category of investors to survive, making money is even more difficult.

During my early years in capital market, I used to follow trend of stocks. Usually, I used to target buying at year low and sell at high. In small volume in a mix of basket and usually traded many. Moving fast from one stock to another. Depended mostly on company's present fundamentals and possible EPS and Dividend declaration and the stock's present position in two years price trend anticipating possible hike, no prospect analysis. Followed company news on the stock exchange website, especially its dividend declaration etc. Bought before declaration, sold near declaration if the price hike to my expected range or waited till declaration and sold after. Using this technique, I made a handsome sum of money. But now I invest.

Still, I don't know how to read the mind of the gamblers. But I

A LONELY WALK

know how to analyze prospects of a company or in its projects. That is why today I don't run after short term investment for a quick return and hence technical analysis. But I depend on long term analysis and thus I rely on prospect analysis backed by fundamental analysis. I also don't want to believe the institutional investors, what regulators speak in public and even the suggestions of the managers of the brokerage houses and their employees.

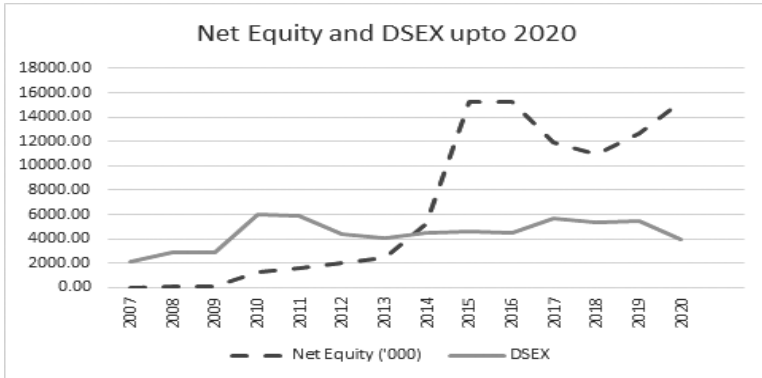
I buy a stock when it is cool and ace to invest my money. But I sell it when it becomes hot to too hot. Then I buy another stock and again it is for the remaining part of my life as an unintended false commitment.

10000 hour in DSE

Malcolm Gladwell talks about 'the 10000-hour rule'¹. For mastering anything spending or investing 10,000 hours on it is a rule of thumb. Since 2007 I have been in this market. Actively observing, thinking, participating. Still I feel that I have not been able in mastering the market. But I have been able to categorize stocks for deciding about where I should stay or live and where I should not. I understand which stocks are gambling at the moment. Gamblers in our market prefer stocks which have poor dividend record or are pathetic in financial performance or have risky future for the investors. Now I avoid those stocks. I invest in stocks that have good prospects and sound business and management. In most of the cases I have to suffer pain for a while with those prospective stocks, while still I believe that the strategy of selecting stocks based on prospects helped me to survive in this market.

Why this book?

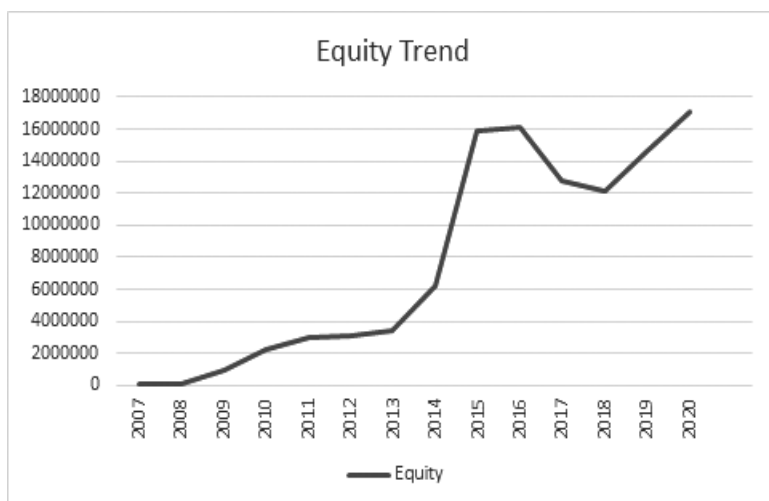
The following trend lines inspired... It was mostly in uptrend in a downtrend market. Was in downtrend for a while. Then recovered. Let us check.

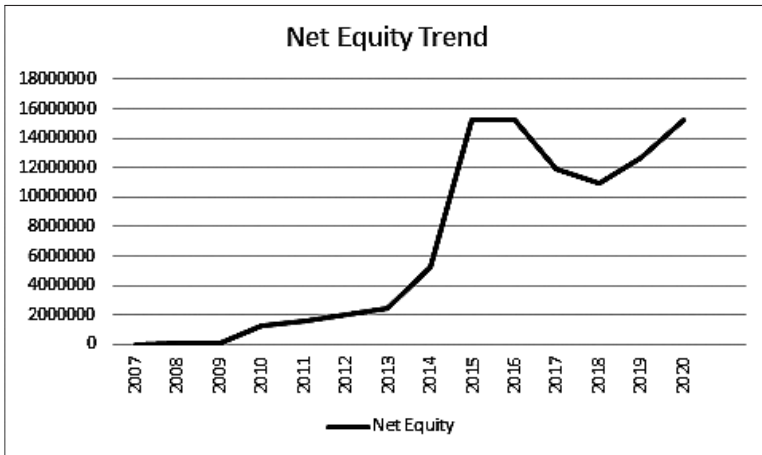


After watching a collapse in the capital market of Bangladesh in 1996 I had a decision not to invest ever in share market of Bangladesh. In 2006 I got enrolment in the PhD Program at the Australian National University, while I could not manage scholarship. I got refund of the admission fees, which I borrowed from my father. He refused to take the money back and advised me to find some way to save the money for any of my future need. Then I started searching for a good place to save the money. For my religious faith, I wanted not to deposit it in a commercial bank for interest as interest is not a permissible income in Islamic principle. It was March in 2007 when Dhaka Stock Exchange was taking preparation for a Midterm movement that at that time I did not know about. But I believe, it was my luck that took me to think about investing that money there. I did not find a better alternative and I opened a Beneficiary Owner's account in a local branch of a brokerage house under Dhaka Stock Exchange.

A LONELY WALK

Year	Net Investment ²	Equity ³	Equity to Net Investment	Net Equity ⁴
2007	43972	43972	1.00	0
2008	-7490	50164	-6.70	57654
2009	825604	932351	1.13	106747
2010	990,483	2,246,216	2.27	1255733
2011	1,426,535	2,979,735	2.09	1553200
2012	1,081,876	3,068,293	2.84	1986417
2013	1,034,502	3,445,103	3.33	2410601
2014	995,052	6,199,487	6.23	5204435
2015	675,659	15,919,019	23.56	15243360
2016	875,121	16,118,476	18.42	15243355
2017	893,490	12,773,708	14.30	11880218
2018	1,207,399	12,171,754	10.08	10964355
2019	1,845,844	14,566,743	7.89	12720899
2020	1,845,843	17,085,584	9.26	15239741



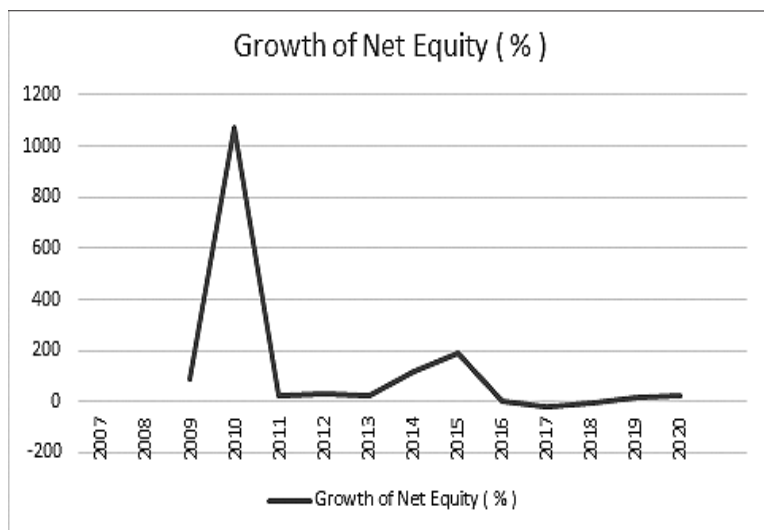


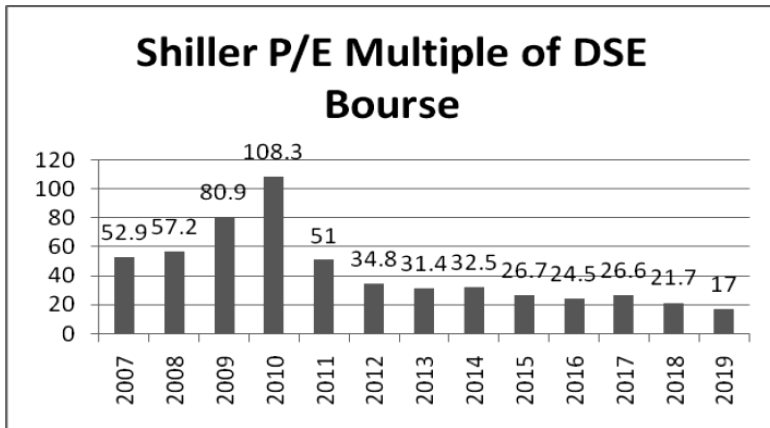
Growth Percentage

Growth percentages of the cost value net to investment over years have been presented. In the year 2010 growth rate was abnormally high. That was backed by a boom in the DSE that helped surging the market and the equity. The market rose by 62% in 2009, and 83% in 2010 followed by a collapse in 2011. Shiller P/E multiple of DSE bourse⁵ is another way to understand what happened in this market during this period. Shiller P/E went to 80.9 in the year 2009 from 57.2 in the year 2008. The P/E became 108.3 in the year 2010, while collapsed to 51 in the year 2011 and further to 34.8 in 2012. The slide continued till 2019. It is noteworthy that the growth in the equity in the year 2010 was much higher compared to the growth in the market and achieved a decent growth in the equity, except in the year 2016 to 2017, despite a continued collapse in the market in the year 2011 till 2019.

A LONELY WALK

Year	Growth of Net Equity (%)
2009	85
2010	1076
2011	24
2012	28
2013	21
2014	116
2015	193
2016	0
2017	-22
2018	-8
2019	16
2020	20



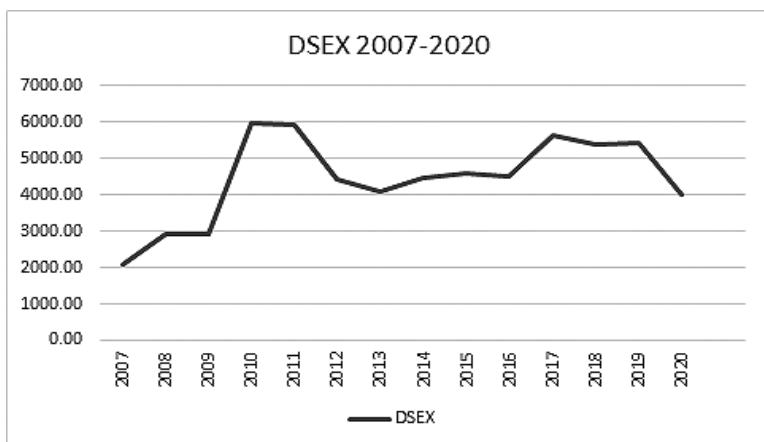


Now compare these performances with index to understand what happened to this portfolio. Did it do any better than the market?

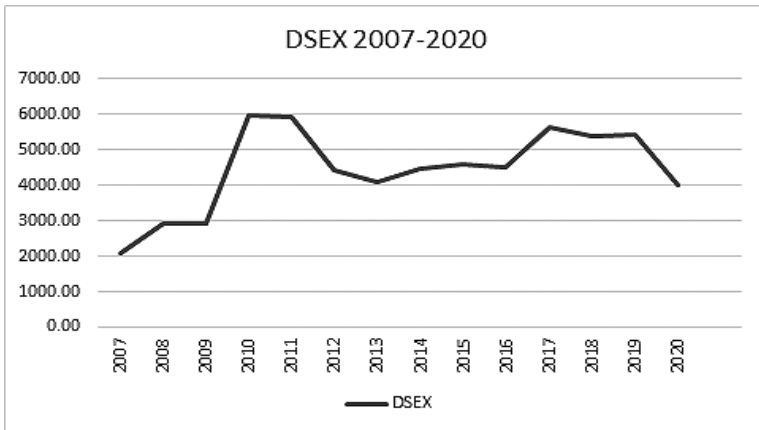
Year	Date	DSEX	DGEN
2007	6/28/2007	2,089.80	2,149.32
2008	6/30/2008	2,917.42	3,000.50
2009	6/30/2009	2,926.91	3,010.26
2010	6/30/2010	5,983.29	6,153.68
2011	6/30/2011	5,947.85	6,117.23
2012	6/28/2012	4,446.26	4,572.88
2013	6/30/2013	4,104.65	4,385.77
2014	6/30/2014	4,480.52	-
2015	6/30/2015	4,583.11	-
2016	6/30/2016	4,507.58	-
2017	6/29/2017	5,656.05	-
2018	6/28/2018	5,405.46	-
2019	6/30/2019	5,421.62	-
2020	6/30/2020	3,989.00	-

A LONELY WALK

DGEN⁶ index of 2007 to 2013 has been converted to DSEX using proportional weight. DSEX shows an increase in the year 2017, 2018 and 2019, while Shiller P/E multiple of DSE bourse shows a continued decline in these years. Enlisting of new companies in the DSE during these years may have helped increase in DSEX, while the plummeting Shiller P/E multiple of DSE indicates that market was not in a recovery phase yet in those years.



To check whether there is any correlation between the growth in equity of my portfolio and the percentage change in index, the following chart may help. There is no correlation. Portfolio grows in the year 2012 and 2013 while there was decline in DSEX index. Portfolio had a hike of 116% and 193% in the year 2014 and 2015 while in these years index grew by less than 10%. Index increased in the year 2017 and portfolio saw a decline in this year. Equity of the portfolio increased by 16% in 2019 while market index was flat in this year. In the year 2020 Equity increased by 20% while market declined. Therefore, the growth and fall in portfolio was not largely supported by the market.



Net portfolio has increased by 10 times in the year 2019 since 2010. The entire transaction data of the portfolio is available in my google drive.⁷ If this chart is something you liked, you are probably interested to know more detail about that. In an appropriate place in this book, you will find analysis of transaction strategy that helped this portfolio in the long-run in achieving growth by 10 times.

Many of you may not find these figures impressive enough compared to master investors in Wall Street. I mentioned earlier, it is not a story of an efficient market where knowledge-based investors practice. I am in a less efficient capital market. Here corrupt system shrouds where general investors will have little control over the market and it is really difficult for them to even survive. Because it is about going with the big players and becoming emptied today or next and without luck it is the par with the index that is the best result that they can expect. Fundamentals, on the other hand may also be misleading here. Blindly following fundamentals may not offer them handsome capital gain. For a capital gain they have to think otherwise than suggested for developed capital

A LONELY WALK

market that ensures high level of accountability towards general investors. Challenges in going against the stream are tougher for sure. It is a risky path and requires better skill and sensing ability. So, though the figures are not really big, may I request you to carry on with reading this book!

Two

Introducing DSE

In the then East Pakistan, now independent Bangladesh' the government felt the necessity of establishing a stock exchange when, early in 1952, the Calcutta Stock Exchange had prohibited transactions of Pakistani shares and securities. The Provincial Industrial Advisory Council of Pakistan set up an organizing committee. In the second meeting of the organizing committee, which was held on 13th March, 1953 took the ground breaking decision for the nation to establish a stock exchange in the East Pakistan. The central government of Pakistan was in favor of opening a branch of Karachi Stock Exchange at Dhaka which was strongly opposed. Instead, the local business and political leaders favored the opinion that East Pakistan should have an independent stock exchange. It was suggested that Dacca Narayanganj Chamber of Commerce & Industry should approach its members for purchasing the membership cards at RS. 2000 each for the proposed Stock Exchange. About 100 persons were interested in the formation of the exchange on July 7, 1953. The meeting invited 8 gentlemen to become promoters of the exchange with M Mehdi Ispahani as the convener. Other 7 promoters of the exchange were J. M. Addison-Scott, Mohamed Hanif, A. C. Jain, A.K. Khan, Abdul Jalil, M. Shabbir Ahmed and Sakhawat Hossain.

In a meeting of the promoters that was held at the chamber on September 03, 1953 Orr Dignam & Co. was appointed as the solicitor to draw up the memorandum and articles of association of the stock exchange. With these initiatives East Pakistan Stock Exchange Association Limited was formed on April 28, 1954, later as a public limited company the name was revised to East Pakistan Stock Exchange Ltd. on

June 23, 1962 and again on May 14, 1964 the name of East Pakistan Stock Exchange Limited was changed to Dacca Stock Exchange Ltd., now Dhaka Stock Exchange Ltd. (DSE). The exchange is located in the stock exchange building, 9/F Motijheel commercial area of Dhaka.

Major functions

- Listing of Companies as per listing regulations.
- Providing the screen based automated trading of listed Securities.
- Settlement of trading as per settlement of transaction regulations.
- Gifting of share / granting approval to the transaction/ transfer of share outside the trading system of the exchange as per listing regulations 47.
- Market administration and control.
- Market surveillance.
- Publication of Monthly Review.
- Monitoring the activities of listed companies as per listing regulations.
- Dealing with investors grievance.
- Handling investors protection fund as per investor protection fund regulations 1999.
- Announcement of price sensitive or other information about listed companies through online.

Listing of companies

At present DSE has more than 300 listed companies under four categories, A, B, N and Z. Listed companies have been categorized based on quality of the companies in terms of

some characteristics such as dividend, holding annual general meetings, continued operations, etc. Let us check the criteria set in these categories.

A-category companies are regular in holding annual general meetings (AGM) and have declared a dividend at the rate of 10 percent or more in the last financial year.

B-category companies are regular in holding annual general meetings but have declared a dividend at the rate of less than 10 percent in the last financial year.

N-category companies are newly listed companies except green-field companies which shall be transferred to other categories in accordance with their first dividend declaration and respective compliance after listing of their shares.

Z-category companies have failed to hold the annual general meeting in due time or have failed to declare any dividend in the last financial year or which are not in operation continuously for more than six months or whose accumulated loss after adjustment of revenue reserve, if any, exceeds its paid-up capital.

If an investor buys any shares from Category A, B or N, shares will become matured in the beneficiary owners account in T+2⁸ settlements cycle. On the other hand, if the investor has bought any shares from Category Z, shares will mature in T+3 settlements cycle (refers to Today + 3 working days). This means that the investor can sell the shares bought after 3 working days.

Is DSE inefficient?'

Dhaka Stock Exchange lacks efficiency as here stock price does not respond efficiently to information. In this market traders think rumor is information. Many of the stocks' prices are unrealistically high and compared to those many good stocks are pretty low in price. If we look at fundamental data of those stocks, and compare with its price in the market, it is difficult to find strong relation between the price and the fundamental data. On the other hand, many fundamentally good stocks' prices do not respond efficiently to its fundamental changes. To introduce such scenario in DSE to readers, here I present a few stocks as example. I shall present first a set of high price bad fundamental companies' stocks and then a set of good fundamentals at moderate to static price.

So, what does DSE respond most? It is rumor. Another set of news that our market responds to is any prospect. But in most of the cases it has been observed that a stock with lower paid-up capital gets a good movement with price sensitive information. Larger paid-up companies show a slower impact of the same.

Some standards RECKEITBEN

Paid-up capital	BDT 47.25 MM
Face value	BDT 10
Listing year	1987
Category	A
Sponsor director's holding (%)	82.96



Source: Stockbangladesh.com

Year	EPS	NAV
2015	58.73	43.48
2016	62.66	50.02
2017	80.63	64.28
2018	70.22	81.63
2019	131.06	142.64

Reckitt Benckiser (Bangladesh) Limited is a reputed multinational corporation in the country that started its operation long ago. It was enlisted in the Dhaka Stock Exchange in the year 1987. Since then, the company has declared handsome cash dividend for its shareholders with a significant growth in dividend. It declared 400% cash dividend in 2013 while that gradually reached to 1250% in the year 2019. The company usually declares third quarterly financial performances on the last week of October and the final yearly performances in April/May. Since 2017 the price graph experienced a steep jump immediately after third quarter financial performance and was positively impacted again after dividend declaration. Since 2015 the company had

A LONELY WALK

shown a handsome improvement in financial performances than previous year with an exception in 2018. The stock price also responded in the same direction consistently with a minor short-term correction and a sideways movement in almost the whole of 2018. Therefore, in case of Reckitt Benckiser (Bangladesh) Limited, the market efficiency was satisfactory.

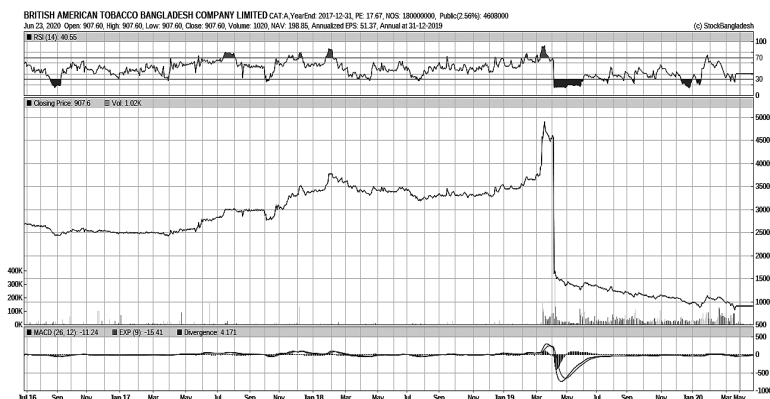
BATBC

Paid-up capital	BDT 5400 MM
Face value	BDT 10
Listing year	1977
Category	A
Sponsor director's holding (%)	72.91

British American Tobacco Bangladesh Company Limited is another multinational corporation listed in the Dhaka Stock Exchange in the year 1977. After a long interval since 1993 the company issued 200% stock dividend for the shareholders in the year 2018. Other than this exception, the company have a record of consistent high cash dividend for the shareholders. From 2015 to 2019 the company paid back 400% to 600% cash dividend with a persistent growth. The stock price also has a persistent growth trend. After record date of stock dividend in the year 2018 price of stock had been adjusted by increased number of free float stocks. If closely analyzed, it is seen that after 2018 the stock has a downward trend, though it is slow. It has been caused by the fact that after 2018, the EPS growth of the company has been slowed down. Also, that may be caused by additional supply of shares of the company resulted by crediting stock dividend declared in the year 2018. In my opinion this case is also a

case of efficiency in DSE.

Year	EPS	NAV
2015	97.90	243.49
2016	126.37	314.71
2017	130.50	358.2
2018	166.87	492.15
2019	51.37 (154.11)	198.85



Source: Stockbangladesh.com

SUMITPOWER

Paid-up capital	BDT 10678.80 MM
Face value	BDT 10
Listing year	2005
Category	A
Sponsor director's holding (%)	63.21

Unlike the previous ones, Summit Power Ltd. is a Bangladeshi business unit involved in generating electricity in the private sector. It is also different in that its paid up capital is high. The company was listed in the Dhaka Stock Exchange in the year 2005. It can be inferred that, over the last four years

A LONELY WALK

it maintained a consistent price range of BDT 32 to 49. In the year 2017 to 2019 the company declared 30-35% cash dividend. Though the company has consistency in growth in EPS and NAV, it is probably because of the market weakness during this period, the price did not move up but maintained its original price range.



Source: Stockbangladesh.com

Year	EPS	NAV
2017	3.76	29.02
2018	4.4	31.26
2019	4.78	32.40

Some bads BDAUTOCA

Paid-up capital	BDT 43.26 MM
Face value	BDT 10
Listing year	1988
Category	A
Sponsor director's holding (%)	30.06

The original name of the company is Bangladesh Autocars

Limited. The company is involved in auto refueling and conversion of automobiles from Petrol/Octane based fuel to CNG or LPG. It operates from a single location in Dhaka named Super CNG. Financially and fundamentally this company was never in good condition and before 2016 its price was below BDT 30. In later part of 2016 it went above 50, and then in 2017 went above 100. In mid 2018 it hiked to above 300 and then gradually moved down to BDT 150 in the following one and half years of time.



Source: Stockbangladesh.com

Let us check other fundamental data of this company. Its paid-up capital is only 43.26 million BDT. Its dividend record is not healthy as well.

Year	Cash Dividend %	Stock Dividend %
2010	Nil	5
2011	Nil	5
2012	Nil	2
2013	Nil	Nil
2014	Nil	Nil
2015	Nil	nil
2016	Nil	3
2017	Nil	3

A LONELY WALK

2018	3	12
2019	10	Nil

In the last 10 years in total this company has paid off only 13% in the form of cash (ironically 10% in 2019) and 30% in the form of stock dividend to the shareholders. Against 30% stock dividend the company did not show any prospect of growth of its business. Let us check EPS and NAV of the company to assess if it has any reason to poke the price to hike of the company's stock by 10 times in the last 5 years since 2015.

Year	EPS	NAV
2015	0.35	6.08
2016	0.41	6.48
2017	0.95	2.77
2018	1.52	3.83
2019	1.53	7.44

By analyzing the company's declared news from Dhaka Stock Exchange news board, it is found that on 27 September 2018 the company declared that it will raise capital from shareholders by issuing 1:1 right shares at a premium of BDT 100 against face value of the stock of BDT 10. Oh my God! Now look at its NAV and EPS and try to judge what is happening here. From its price in July 2016 of BDT 30 it crossed 100 in June 2018 and hiked to 350 in July/August 2018 and on 27 September 2018 it declared a decision of right share issue and at abnormally high premium compared to its NAV and EPS! What does it indicate? Probably readers have better ability to explain what is happening here!

By analyzing two-year available data on DSE news archive, it is found that the company responded on August 08, 2018 to DSE query for price hike and said that there is no

undisclosed price sensitive information of the company for recent unusual price hike of shares. Despite of this news, price correction was not significant. Instead, it is observed that during the two years of available news, sponsor directors offloaded shares from their holding in five instances that was more that 3.23% of the total shares of the company.

SAMATALETH

Paid-up capital	BDT 103 MM
Face value	BDT 10
Listing year	1998
Category	B
Sponsor director's holding (%)	33.86

Samata Leather Complex Ltd. is the original name of the company enlisted in the tannery industry category with a paid up capital of BDT 103.20 million. During 2016 and up to first quarter of 2017 price was moving below BDT 30. After July 2017 that jumped above BDT 60. During April/ May 2019 that ticked BDT 80. During November 2019 to February 2020, it topped above 180 and then after a fall it was trading later at BDT 110.



Source: Stockbangladesh.com

A LONELY WALK

Let us check its fundamental and other information to know if this kind of price movement has any real cause!

Year	Cash Dividend %	Stock Dividend %
2010	Nil	Nil
2011	Nil	Nil
2012	Nil	Nil
2013	Nil	Nil
2014	Nil	Nil
2015	Nil	Nil
2016	Nil	Nil
2017	Nil	Nil
2018	Nil	Nil
2019	2	Nil

It is amazing that this company has paid back only 2% cash dividend in total to the shareholders in the last 10 years and no stock dividend. Taking the advantage of its low paid up capital, this stock also moved very high without expectation of any financial return other than capital gain for no reason from the investment. Its NAV is also pretty low and incurred loss in most of the previous years. As a result of an effort to investigate further whether the company has any price sensitive information declared in its Annual Report, could not trace the report as on 24 June 2020 no web page of the company was available while visiting the link mentioned as a page of the company on the DSE website.

Year	EPS	NAV
2015	(0.15)	14.59
2016	(0.06)	14.76
2017	(0.17)	14.59
2018	0.02	14.47
2019	0.28	14.61

So, what do you think could be cause of price hike by 6 times

from its original price in a period of two years from 2017 to 2019? In response to DSE query dated July 16, 2018, the company informed on 17 July, 2018 that there is no undisclosed price sensitive information of the company for the price hike. Even after this disclosure of the company, it continued maintaining high price. DSE lodged another query dated August 27, 2018. In response to that query the company replied on 23 October 2018 that,

‘We have observed recent unusual trends of share price of our Company in the stock market. Our company couldn’t be able to achieve any financial development because the company is still facing shortage of working capital. The Company is still passing its shifting and construction process at Hemayetpur, Savar, Dhaka. We have no decision or resolution that may change the share price abnormally.’

At the time of the second disclosure, price of the shares of the company was approximately BDT 40, while even after that declaration price continued to move up gradually and in 10 months it reached to its high of above BDT 180, more than 4.5 times of BDT 40 and as per the mentioned declaration there was no fundamental reason behind this hike.

JUTESPINN

Paid-up capital	BDT 17 MM
Face value	BDT 10
Listing year	1984
Category	Z
Sponsor director’s holding (%)	39.81

Jute Spinners Limited was enlisted in the Dhaka Stock

A LONELY WALK

Exchange in 1984 and its present paid up capital is BDT 17 million. During 2016 to May 2017 its price was around BDT 60 per share against its face value of BDT 10. From May to June, it started a hike and during February 2018 it reached to BDT 160 to BDT 180 range and lasted at that range until mid-July of the year. In the later part of the year, from BDT 170 the stock dipped to below 80. With ups and downs it is staying at BDT 80 range in the year 2020.



Source: Stockbangladesh.com

Let us check its fundamentals to know if they support this price movements. The website of DSE does not contain any record of Dividend of this company.

Year	Cash Dividend %	Stock Dividend %
2010	20	Nil
2011	20	Nil
2012	20	Nil
2013	Nil	Nil
2014	Nil	Nil
2015	Nil	Nil
2016	Nil	Nil

2017	Nil	Nil
2018	Nil	Nil
2019	Nil	Nil

This company had a record of paying around 15-20% cash dividend annually since 2001 to 2012. After 2012 the company did not pay out dividend in any form. DSE launched a query and issued a letter dated July 02, 2018. In response to the query the company authority replied to DSE on August 06, 2018 that,

‘We are surprised seeing the unusual price hike of shares and the volume of trade in the market. In this respect we would like to mention here that our mill is closed since June, 2016 and we have no undisclosed decision/information relating to our company’s operation/profitability regarding unusual price hike in the market and the reason behind the unusual price of shares of our company is fully unknown to us.’

Let us compare the company’s EPS and NAV before and after the price hike of the stock in the market.

Year	EPS	NAV
2015	(19.63)	(105.18)
2016	(42.10)	(147.44)
2017	(49.39)	(196.83)
2018	(60.53)	(257.36)
2019	(46.19)	(303.56)

Source: Stockbangladesh.com

Before the price hike there was huge loss and NAV was negative. That trend continued during and after the price

A LONELY WALK

hike of the stock. The company management also clarifies that there was no undisclosed price sensitive information that may back the price hike. That clarification triggered the sharp fall of price to below BDT 80. But again, despite the poor financial performances and declaration of the company about of price hike, share price of the company went above BDT 140 in following five months of the declaration.

ZEALBANGLA

Paid-up capital	BDT 60 MM
Face value	BDT 10
Listing year	1988
Category	Z
Government's holding (%)	51

Zeal Bangla Sugar Mills Limited is a government owned sugar mill that was listed in the DSE¹⁰ in the year 1988. Fundamentally this company is in very poor condition. Since 2006 the company did not pay out dividend to the shareholders in any form. Also, during this long time she incurred huge amount of loss except in two years. Please check EPS and NAV of the company.

Year	EPS	NAV
2015	(56.89)	(333.80)
2016	(62.56)	(385.04)
2017	(54.09)	(418.03)
2018	(80.82)	(489.12)
2019	(103.90)	(608)

Oh! Just look at this data. Against face value per stock of BDT 10, at the end of financial year 2019 its NAV stands at

negative 608. Also, the company is incurring loss at huge amount and that is increasing in recent years. So, where should its price be? Now let's check the price trend.



Source: Stockbangladesh.com

Sometime in July of 2016 the price of this stock was below 10, its face value. Then started moving up. By December 2017 it reached above 80, i. e. 8 times higher than its price in July 2016. There was no price sensitive information for this price movement as usual like the previous cases mentioned. Later it slowed down and falls to 30 by September 2019 and moved somehow sideways till July 2020. Do you find any fundamental reason? Company says there is no price sensitive information. Then what did cause this price hike? And it is 8 times!!!

Updates

Alas! After July 2020 that stock started a steep hike. By October 2020 that reached above BDT¹¹ 200, then gradually came down to 120 by November 2021. EPS¹² on 2020 year

THREE

Business Analysis

The first step for a successful investment or for selecting a good stock should be conducting a good business analysis. Analyzing a business is a bit difficult job. It is about looking at a few issues of the business in the past, present and future. One of the initial steps of business analysis is analyzing the company's business environment and strategies.¹⁵ Financial statement analysis that most of us focus on is part of business analysis. Business analysis is about carefully investigating in the company's financial statements, management structure, management policies and their changes, dividend practices, growth prospects, sector and its impact on future of the business, etc. Let us discuss a few of them that I consider important for my purpose of selecting company's stocks for investment.

Fundamental analysis

A widely accepted method of analysis is known as fundamental analysis, which is the process of determining the value of a company by taking the key factors into consideration from the economy, the industry, and the company. This kind of analysis mainly consists of evaluation of a company's financial position and performances by using several tools like horizontal and vertical analysis of financial statements and the popular 'ratio analysis'. In horizontal analysis the analyst compares figures in financial statements in different years, while in vertical analysis one component in a single year is compared with other component in the same financial statement in the same year. Ratio analysis compares one financial variable with another keeping one in the numerator

and the other in the denominator.

A major goal of fundamental analysis is to determine intrinsic value. Intrinsic value is the measure of what an asset is worth. In other words, it is the value of a company or its stock determined through fundamental analysis. Intrinsic value of a company or its stock may or may not differ with its market value or stock price of the company in the market. An investor's strategy with fundamental analysis is simple, buy when a stock's intrinsic value exceeds its market value, sell when a stock's market value exceeds its intrinsic value. The investor may be indifferent in holding when a stock's intrinsic value approximates its market value or he may switch to another stock when (s)he finds a better alternative to hold.

Technical analysis

It is basically a market trend analysis without looking at the fundamentals of the company. It uses statistical tools to forecast future price of the stock. Now a days technical analysis uses computer software to analyze charts to forecast the future movements of the stock price. Some internet-based sites also provide these services.¹⁶ It looks at the price & volume, high & low, buy & sell, etc. Modern technical analysis uses candle chart analysis where individual candle patterns and shapes may signal what should the trader do in the next few days with the stock. Technical analysis is suitable for short term forecasting and it is mainly used by traders, not long-term investors.

Credit analysis

For the purpose of creation of the company or its expansion and spending money for operation, the company needs funds. Funds may be collected from internal sources and

external. Internal sources are mainly shareholders. Capital collected from this source is known as equity. For equity the companies don't have to pay anything as committed return. Shareholders get residual amounts after payment to providers of funds from external sources and taxes to the government. Creditors lend funds to a company against a promise of repayment with interest. Interest is a kind of commitment from the company to pay to the creditors even if the company fails to earn profit which is a major difference with equity funding where the equity holders don't have any claim over the company if it fails to earn profit and pay to them. There are mainly two kinds of creditors, trade creditors and non-trade creditors. Trade credit arises for credit purchase from a supplier for which usually there is no interest expense but that may impact on price of the products purchased. Non-trade credit is in the form of money and this is collected for creation and expansion of business and for operation. Usually, funds collected from this source for expansion of business is made for long term, more than a year, and the funds collected for operation is renewed within a year. In both cases the company has to pay interest which is a fixed percentage over the amount borrowed.

In credit analysis investors have to check amount and ratio of credits taken and their nature. As though usually cost of borrowed capital is considered as low compared to equity in many cases, it creates risk on company's life. If the company fails to repay borrowed capital, the lender may sue against the company that may affect the existence of the company, which does not occur as a case in equity capital. Usually, high volume of credit compared to equity is considered as not good for the sustainability of the company.¹⁷

Prospect analysis...growth of company

Why do we like growth firms? Because growth helps to achieve economies of scale, promises increase in profitability, often attracts investment capital and also helps in achieving legitimacy. But we should remember that growth is something that we love to achieve, while it is difficult to maintain. There are many examples that once a growth company has become a problem company shortly. Neil C. Churchill and John W. Mullins¹⁸ have shown that fast growing tendency of companies may put it into difficulties due to shortage of funds needed or eaten up for achieving fast growth. Managing funds for achieving growth is a challenge. If a company can make that, it can become a star company. For a safer side, Churchill and Mullins suggest self financeable growth of a company, i.e., achieving growth from its own source of funds. Companies can think about self financeable growth by taking care about its operating cash cycle, the amount of cash needed to finance each dollar of sales and the amount of cash generated by each dollar of sales.

Investors who are planning to invest in a fast growth company must ask themselves a few questions such as 'do the company have the quality and diversity of resources needed to manage the growing company' and 'do the company have enough cash or credit worthiness or borrowing power and managing the risk of achieving growth by borrowing?' For understanding the importance of asking these questions let us re-introduce 'a tale of two companies' told by Charlene I. Nicholls-Nixon¹⁹ where he talks about two examples where one achieves successful continued growth for a long time of span, while another succumbs to injury of it. W.L. Gore & Associates, founded by former DuPont engineer Bill Gore in 1958 and the successful one, became one of the most successful privately

A LONELY WALK

held companies in the United States. Gore's products range from fabric to specialty applications in medical implants, electronics, fiber optics, and pollution control. In a long range of time of 20 years between 1969 and 1989 Gore achieved a stunning growth in sales from \$6 million to \$600 million. The story was told by Nicholls-Nixon in the year 2005 and noted in 2002 that 'the company generated annual revenues in excess of \$1.35 billion and employed 6,500 people in 45 sites worldwide, including manufacturing facilities in the United States, Europe, and Asia-Pacific. W. L. Gore & Associates is currently ranked twelfth in *Fortune* magazine's listing of the 100 Best Companies to Work For.'

Nicholls-Nixon introduced story of another firm, the Bombay Company' a story as a word of caution for the investors. He said, 'Bombay opened its first store in 1980 and grew to 383 stores, 2,900 employees, and \$232 million in sales by 1993, making it one of the fastest-growing companies in the United States. In an industry comprised of 50,000 home furnishing retailers, Bombay was the sixteenth largest. When industry growth stagnated between 1991 and 1993, Bombay increased its same-store sales by 13–15 percent. By 1993, Bombay ran one of the most sophisticated sourcing networks in the industry, with contracted production in 130 factories around the world. Two years later of this success run, the company started facing difficulties. In 1995 its share price fell to \$5 from its previous high of \$30. In 1998 it started a program of store closing. The company continued struggling with inventory and merchandising problem. Its profitability came down to approximately 1%. Once a top ranked growth company became a problem company.'

Gary M. Cunningham and Jean E. Harris²⁰ tell a story of Enron Inc. Enron was a leading energy commodities and

service company with a revenue of US \$101 billion in 2000. About 21,000 people were working in the company, most of them at its headquarters in Houston, Texas. One important to note information provided by Cunningham and Harris that throughout its existence, Enron relied crucially on borrowed cash for its day-to-day operations. 'With past success, bull markets, debt, inexperienced employees, and diverse businesses, Enron raced to become anything and everything.' To understand the growth run of this company during its existence, this is good enough to understand growth spree of this company. It was a case of accounting forgery. The company was growing not for its growth, but for the wealth of the chairman and a few of his companions. It created so many strategic business units and its accounting was very difficult to follow and analyze for the general shareholders. 'Enron was moving to a new business model dominated by intangible assets, the rights to buy and sell commodities... It is likely that both the changes at Enron were increasing risks for investors. Enron's movement away from the dominance of fixed assets to the dominance of intangible assets was likely to increase volatility....' As a final word Cunningham and Harris said, 'Enron was a massive failure, partly because of its size, partly because of its complexity, partly because the controls to protect the integrity of capital markets failed, and especially because of the massive greed and collusion of key participants. Management failed, auditors failed, analysts failed, creditors/bankers failed, and regulators failed.' Enron became bankrupt in 2001.²¹

Change management

Investors who love growth companies may look for firms currently with growing pain. Many of the companies where investors join in involves change in the company's business

models. Often change in business models can convert a low income companies to a high profit one. Here the investors must understand the motive of the management. If it is an honest effort, only then investors may consider analyzing the change management issue to forecast chance of success in this move of the company. Accuracy in this analysis may make fortune of the investors. That is why it is important to understand why change management fails. Let us talk about that a bit.

Successful management of change is crucial for the organization. Often it is considered as a necessity for the survival and success of organizations in the highly competitive business environment. Moran and Brightman²² defined change management as ‘the process of continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers.’ Change is ever present in every organization’s life. Few might dispute that the most important task for management today is leadership of organizational change and the need for change was never as big before as it is in the present economic condition. Despite of the importance of change management for organization, the rate of successfully handling the change is not satisfactory. Around 70% of the initiated change programs fail.²³ This very high rate of failure in change management indicates the lack of valid framework for handling or implementing or managing organizational change.²⁴ On the other hand Quinn estimates that about 50% of all change efforts that fail is the result of poor change leadership.²⁵ Therefore, investors must assess the leadership capabilities in the ongoing change management in the targeted company. If you have faith on their capability, you may decide to stay with them.

Understanding the family and business

In most of the cases it is evident that the stocks that investors purchase of a company has a family influence. Therefore, understanding the family and their background is part of business analysis. According to some scholars, family-owned firm is a system that is compounded by two subsystems- the family and the business. A better accepted three circle model of family firms have been suggested by Gersick and his team (1997) which describes a family-owned firm as a system of three independent but overlapping subsystems such as business, ownership and family.

Family-owned firms have been viewed by Gersick as a result of actions of a span of time. They suggest a time perspective into the concept of family-owned firms as systems change over time. More specifically, “families are an endless series of entries through marriage and birth, and departures through divorce and death”.²⁶ Similar to this, managers and/or owners go in and go out of the business, bringing or resulting in changes in the business and/or ownership circle. Changes also result into the overlapping sections when a person moves from one section to another, affects the features of the family-owned firm.

For an investor who plans to stay in a company for a longer time, should also assess the succession issue in the company. Existence of proper succession planning helps long run survival and growth of a firm. Succession is a common phenomenon in every business and it is considered as the most critical issue that is commonly faced by a business that has family influence. Therefore, a proper succession process is important in the sense that it affords the firms to select the most appropriate leaders to continue the business successfully.

A LONELY WALK

Most of the researchers commonly believe that there is need for formal and long-term succession plan. But in most of the cases it is observed that family firms lack this much needed succession related plan. Many incumbents are reluctant to empower their offspring in the family business in fear of losing control over the business that ultimately make the succession planning difficult. That results ultimately into failure of the company in continuing existing business culture. In many cases they fail to survive.

The effectiveness of leadership in a business is crucial, especially during the succession process. Therefore, the top leadership position in a business needs to be filled in with the person who thinks about the future of the business and that selection has to be made with proper planning. Predecessor must judge the successor on the basis of appropriate values, skills and motivations to join and take over the business. After bringing the successor in the business, predecessor is helpful in developing the effectiveness of the successor for the business. Succession can be more effective when the two involved generations have understanding and respect for each other. And succession planning is important for survival. Business analysis should consider existences of succession planning and the incumbent-successor relationship, etc.

FOUR

The Portfolio

Benjamin Graham defines intelligence as being patient, disciplined, and eager to learn; you must also be able to harness your emotions and think for yourself. This kind of intelligence, “is a trait more of the character than of the brain.”²⁷ What Graham defines as ‘trait more of the character than of the brain’ is related to individual characteristics. These are not exactly physical trait but behavior of individuals. Trait cannot be taught but behavior can be trained, though often difficult. In this chapter historical data on my investment has been discussed. That may help new investors to know required behavior that may help to survive in a market that lacks governance.

So, making money is easy. Right?

Many of you are thinking, it is easy to make money in DSE. We shall take one and make our money 6 times, 8 times. Aha! No. Not so easy. Remember, price moves because of supply and demand-either genuine or fake. Sometimes there was no price sensitive information. Still price hiked. What created that price trend? Surely it is high demand and controlled supply. No price sensitive information. Still demand increased and supply was controlled. It is stock price manipulation. So, some people did this. How do you know that this will happen in your stock? And above all, it is illegal and unethical. I want to tell you how to survive in this kind of market within ethical and legal limit. If you have patience, here is my trip record.

Strategy: Going against the stream

07-09 as trader

During those days all transactions in the portfolio were basically trade. I used to find year low in the one year price trend and wait till it reached that low after price adjustment due to dividend. As the market was in uptrend during these years, usually it did not take more than 2/3 months to create an upward movement of those stocks in my portfolio and I used to take profit if they had reached to my target price, then looked for next stock. A common thing that I noticed is that stock prices jump just before declarations of dividend if it had a good reason to declare attractive dividend. At that time there was no common year closing month or date set by the regulatory authority. Hence it was possible to take position in a stock before dividend declaration for many companies in a year. So I did and that helped me to secure good amount.

It was a matter of luck that in the calendar year 2007, which was my first year in stock market, and 2008 I did not have to incur loss in a single trade. I had to take loss on my 16th stock and it was in 2009. Today I feel that, all that happened because all eventually I entered in the stock market in a perfect time to start. The market was in uptrend which lasted till the year 2010.

ORIONINFU: First prospect-based investment

Paid-up capital	BDT 203.60 MM
Face value	BDT 10
Listing year	1994
Category	A
Sponsor director's holding (%)	40.6

It was 2008, the second year. I decided not to invest in stocks that are involved in any kind of business that my religion does

not permit. As a result, I started avoiding stocks in sectors like Bank, Insurance, Leasing company and Mutual fund as they are involved in *Riba* or interest. That drew a boundary of limit in my scope. Probably that forced me to think hard and find stocks for return. Gradually and subconsciously, I started thinking about analyzing of the company and their prospects in days to come. Orion Infusions Limited was the first stock I invested with a midterm target because of a prospect that I identified in it. The company was selling infusions in the pharmaceutical market and was selling well, while as a newly listed company, its stock was selling at near face value. Total investment in this stock was BDT 339,000 while, sold for BDT 680,170 with a gain of 341,170. A 100% gain on investment.

JAMUNAOIL: Saved me

Paid-up capital	BDT 1104.35 MM
Face value	BDT 10
Listing year	2007
Category	A
Government's holding (%)	60.08

Jamuna Oil Company Limited was established in 1964 as Pakistan national oil limited as the first oil marketing and distribution company of the then Pakistan. After independence of Bangladesh in 1971, the company was nationalized by the government of Bangladesh. The monopoly of oil marketing by the government owned Bangladesh Petroleum Corporation was equally shared among its three subsidiaries, Jamuna Oil Company Limited being one of them.

Year 2010-11 is noted as a period of instability in the Dhaka Stock Exchange. The DSEX went up to 5,983.29 in June 2010 from 2,926.91 in June 2009. Therefore, the market hiked approximately 104.41% from previous year. But it

A LONELY WALK

went down 10% in January and 30% in February of 2011. From 5,947.85 in June 2011 that came down to 4,446.26 in June 2012 that was about 25.25% fall from previous year. In 2013 index fell by another 7.68% from previous year. I have had six cycles of trade of Jamuna oil during this time. The first cycle was completed at the beginning of 2010-11 and the subsequent cycles fall in the 2010-13 fiscal year. The first, fourth and fifth cycle returned a small amount of profit, while the other cycles did not produce profit for me. Instead, I incurred huge amount of loss from those cycles. Despite of loss incurred, I feel that they saved me in the collapse of DSEX. I was relatively in a good position with Jamuna oil.

First Cycle

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
14.02.2010	500	438.20			500
18.03.2010			300	395.50	200
21.03.2010	100	385.50			300
23.03.2010	500	376.58			800
10.05.2010	200	336.75			1,000
18.05.2010	100	379.00			1,100
24.05.2010	200	381.80			1,300
25.05.2010	500	373.50			1,800
06.06.2010			200	447.50	1,600
07.06.2010			800	435.00	800
16.06.2010	2,000	420.00			2,800
13.07.2010			800	436.08	2,000
14.07.2010			1,000	426.00	1,000
27.07.2010			1,000	434.75	Nil
Total (BDT):	1,654,300		1,765,764		
Net gain: BDT 111,464					

Second Cycle

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
29.08.2010	1,000	426.09			1,000
10.10.2010	600	415.00			1,600
01.11.2010			1,000	413.21	600
09.12.2010	1,000	347.22			1,600
15.12.2010	1,000	340.50			2,600
20.12.2010	700	330.00			3,300
09.01.2011	300	300.00			3,600
11.01.2011			100	329.70	3,500
13.01.2011			200	318.25	3,300
16.01.2011	1,000	301.00			4,300
07.02.2011	100	260.30			4,400
10.02.2011	1,000	255.35			5,400
14.02.2011	200	215.50			5,600
10.03.2011			600	268.80	5,000
16.03.2011	200	256.50			5,200
04.05.2011	400	258.00			5,600
09.05.2011	700	240.04			6,300
11.05.2011	1200	237.50			7,500
02.06.2011			1,000	271.69	6,500
27.07.2011			600	278.20	5,900
28.07.2011			1,000	305.46	4,900
01.08.2011	1,000	282.00			5,900
09.10.2011	2,000	245.00			7,900
27.11.2011	2,000	210.70			9,900
07.12.2011			1,900	240.00	8,000
09.02.2012			2,000	159.95	6,000
Stock Div Cr.	3,700	Nil			9,700
15.02.2012			3,000	162.73	6,700
21.03.2012			2,000	198.11	4,700
22.03.2012			4,000	208.15	700
08.04.2012			700	239.70	Nil
Total (BDT):	4,110,218		4,075,880		
Net loss: BDT (34,338)					

A LONELY WALK

Third Cycle

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
02.05.2012	2,000	274.40			2,000
09.05.2012	100	255			2,100
31.05.2012	1,800	244.30			3,900
11.06.2012			2,000	254.00	1,900
24.06.2012			1,900	242.73	Nil
Total (BDT):	1,014,040		969,187		
Net loss: BDT (44,853)					

Fourth Cycle

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
16.07.2012	4,000	214.55			4,000
29.07.2012			4,000	251.50	Nil
Total (BDT):	858,200		1,006,000		
Net gain: BDT 147,800					

Fifth Cycle

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
12.08.2012	3,000	256.00			3,000
06.09.2012			3,000	263.10	Nil
Total (BDT):	768,000		789,300		
Net gain: BDT 21,300					

Sixth Cycle

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
19.11.2012	1,300	282.70			1,300
20.11.2012	1,300	285.40			2,600
21.11.2012	1,400	281.50			4,200
26.11.2012	4,200	256.38			8,400
Stock Div cr.	2,200	Nil			10,600
01.04.2013			3,000	172.00	7,600
02.04.2013			3,000	173.00	4,600
04.04.2013			4,600	175.00	Nil
Total (BDT):	2,209,426		1,840,000		
Net loss: BDT (369,426)					

From these six cycles in Jamuna Oil during 2010-13 financial years, total net loss has been BDT 168,053. Still, I have a happy feeling with investment in Jamuna Oil. Why? To explain this kind of inner peace with investment in Jamuna Oil, I must relate market data and company financial performance during this period. From June 2010 to 2013 the index fell by 31.39%, while percentage of net loss was 1.58% in Jamuna Oil that was very low compared to the loss in the market. It was mainly caused by growth in financial performance of Jamuna Oil during this period. Growth has been shown in the following table.

Earnings growth (%) of Jamuna Oil

	2009 - 10	2010 - 11	2011 - 12	2012-13
Net profit growth	34.56	79.85	104.94	(4.28)

Why did I select Jamuna Oil?

On June 30, 2010 in the portfolio, Jamuna Oil was 51.11% while that picked in 2011. On November 27 of the year that was 72.65%. Involvement in the share of Jamuna Oil in the portfolio on different dates are presented in the following table.

Contribution of Jamuna Oil in the portfolio

Date	Contribution
June 30, 2010	51.11%
June 30, 2011	64.21%
November 27, 2011	72.65%
November 26, 2012	56.23%
November 14, 2013	Nil (National Tubes 100%)

ICB Securities Trading Company Ltd.

Member DSE - 71
Shaheb Bazar, Rajshahi
Rajshahi
Contact no(s): 9557786, 7174182, 9570537
Investors Portfolio Statement

A/ C No.: [REDACTED]		Reporting Date : Nov-27-2011							
Investor: [REDACTED]									
BOID: [REDACTED]									
Instrument	Qty	Matured	Cost Price	Total Cost	Market Price	Market Value	Realized	Unrealized	
BEXIMCO	5,100	5,100	146.2217	745,731	18.90	96,390	-581,138	-649,341	
JAMUNAOIL	10,940	8,940	247.2958	2,705,416	166.70	1,823,698	99,023	-881,718	
				3,451,147		1,920,088	-482,115	-1,531,059	
Summary Info:									
	Cash balance:			696,014.95	Market Value of Securities :			1,920,088.00	
	Receivable Sales:			-423,085.60	Total Cost Value of Securities :			3,451,146.72	
	Accrued Charges:			0.00	Equity Value :			3,724,076.07	
	Current Balance:			<u>272,929.35</u>	Ratio :			0.00	
	Equity Debt Ratio:			7.3288%	Purchase Power :			272,929.35	
	Total Deposit :			3,440,500.00					
	Total Realized/Gain/Loss			862,513.11					
	Total Withdrawal:			1,554,053.38					
	Net Deposit:			<u>2,748,959.73</u>					

Portfolio as at 27 November, 2011

the liquid fuels contribution in power generation was 5% in 2010, that jumped to 13% in 2011 and 17% in 2012.³⁰ While at that time the import of all kind of fuel was at the monopoly of Bangladesh Petroleum Corporation (BPC), which had three fuel marketing companies. Jamuna oil being one of those three had equal market share with the rest two. There was also growth in dividend of the company. Let's check its dividend record in those years presented in the following table. These news made me to invest lion's share of my fund in one of the three, I decided to invest in Jamuna oil because at that time Jamuna oil had a subsidiary named Mobil Jamuna Ltd., once a joint venture project of ExxonMobil and Jamuna Oil, that now the company was planning to get public. Also, the company had some additional assets like land and a multi-storied commercial building in Dhaka.

Dividend Information

Year	Cash	Stock
2007	15%	
2008	40%	
2009	40%	
2010	30%	20%
2011	30%	30%
2012	45%	30%
2013	90%	10%
2014	90%	10%
2015	100%	Nil

Now let us combine the earnings and dividend growth of Jamuna oil, contribution of the stock in my portfolio and the index. Despite of continued fall in the DSEX during 2010-13, in my portfolio equity value maintained a consistent 15-20% growth in each year achieved by stock dividend of Jamuna Oil trades. Also, Jamuna oil being the long-term investment

stock and majority in the portfolio ranging from 51-72% during these years, its price was not that much affected in the downtrend of the market backed by the improvement in financial performance and prospective consistent growth in dividend and lastly by the declaration of stock dividends in these years. In this case long term investment has been effective in the sense that it was not affected by market collapse of 2010-13 that happened to be the effect of prospect of the company impacted by some external factors.

Date	Contribution in portfolio	Net profit growth	Dividend	Change in DSEX	Change in portfolio
2009-10	51.11%	34.56	50% (30/20)	104.4 %	1076%
2010-11	64.21%	79.85	60% (30/30)	(10%)	24%
2011-12	72.65%	104.94	75% (45/30)	(30%)	28%
2012-13	56.23%	(4.28)	100% (90/10)	(25.25%)	21%
2013-14	Nil (National Tubes 100%)	16.38	100% (90/10)	(7.68%)	116

LAFARGE: Prospect to sudden panic

Paid-up capital	BDT 11613.70 MM
Face value	BDT 10
Listing year	2003
Category	A
Sponsor director's holding (%)	64.68

At that time Lafarge Surma Cement Ltd. was newly established very innovative multinational company in Bangladesh. It had set up a clinker and cement plant at Sunamganj in Bangladesh in the year 2000 and had a limestone quarry at Meghalaya. It constructed a 17-kilometer-long conveyer belt for carrying mined limestones from a quarry located in India to Bangladesh plant. At that time, it was the first in Bangladesh who had invested in clinker unit and it was so attractive project with fully integrated operational set up. The company started production in Bangladesh in 2006. Though in its early years of operation it was incurring loss, considering its promising nature of the project in Bangladesh, I decided to gradually invest in it and started buying this stock on December, 2007. Its financial performances started to shift from loss zone to profit zone in the year 2008-9 and early part of 2009-10. But on 5 February 2010 Indian Supreme court ordered turning off supply of limestone from the mines in East Khasi Hills district in Meghalaya to Bangladesh plant.³¹ That seriously hampered its operation. The information reached to me early but it was day off in DSE and I decided to offload all holding of the stock on the first minute of the next trade day. I did. Though I was accumulating stock of Lafarge Surma Cement gradually during the last two years anticipating a better future of the company, I suddenly offloaded all at once to avoid loss. On the day of selling the stock, news of shut down of mining operation in India was flashed by the company on the news board of DSE in the morning before the trade started. Still, I could sell all of my holding. Many investors on the day thought the lower price is an opportunity. Price was approximately 7% less than the previous day's price. Let us check the news published on the next day on this issue on a local daily,³²

“Lafarge Surma Cement Ltd suffered a 7 percent decline in share trade yesterday on news that the Indian Supreme Court restrained the cement giant from mining limestone in Meghalaya...”

“Each share of Lafarge, which is wholly dependent on the limestone extracted from the Indian state, plummeted by Tk 39.25, finishing the day at Tk 521³³ on Dhaka Stock Exchange (DSE).”

“The stock was mainly affected by yesterday’s [Saturday’s] news concerning the Indian Supreme Court’s order on the extraction of limestone from Meghalaya, which will eventually halt the production of the company,” Argus Research, a stock market research division of Race Asset Management, said in an analysis.

Despite of this situation, Lafarge, however, said,³⁴ its operations are unaffected. “The Indian court has allowed us to bring in the already mined limestone to continue our operations,” Shuvashish Priya Barua, director of corporate affairs for Lafarge Surma Cement, told The Daily Star.

I did not care. I simply offloaded. In the next one-year price of this stock only went down from the price where I sold them. Unfortunately, I could not make profit from this stock. I had to sell when I was expecting a better price to reach due to gradual improvement in financial performance of the company in the previous months. I could not gain due to an external factor. Still, I was happy as I could save my portfolio from a big loss. But it was a matter of frustration as the incidence happened in India at a point when I was waiting to gain from my two years patience and observations. I could not cash the hard work and vigilance while it is my close vigilance and continued follow up of the company’s news and

A LONELY WALK

updates that really helped me receive the bad news right in time and I got sufficiently enough time at hand to analyze the situation and take the decision of offloading. That decision to offload had been proved right in later trading days.

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
04.12.2007	100	488			100
13.08.2008	850	565			950
21.09.2008	100	580			1,050
23.09.2008	100	579			1,150
24.12.2008	50	485			1,200
18.06.2009	100	475.50			1,300
02.07.2009	100	542			1,400
26.07.2009	150	505			1,550
10.08.2009	50	488.75			1,600
23.08.2009	200	491			1,800
24.08.2009	300	486			2,100
25.08.2009	500	486.50			2,600
04.10.2009			600	493	2,000
11.10.2009	300	497			2,300
12.10.2009	200	493.75			2,500
10.12.2009	150	529.5			2,650
14.12.2009	250	518			2,900
17.12.2009	200	515			3,100
07.02.2010			3100	539	Nil
Total (BDT):	1,918,163		1,966,700		
Net gain: BDT 48,537					

The following table shows how the financial position in terms of earnings per share was improving gradually since 2007 till the problem started in 2010.

Year	EPS
2007	(1.89)
2008	0.30
2009	1.72
2010	(1.87)
2011	(2.46)

Note, EPS have been calculated based on BDT 10 as face value of shares. From the table it is clearly visible that how the company was shifting from loss to profit zone since 2008. Due to cancellation of supply of limestone from India, the only feasible source of its raw materials, the company then started moving to loss zone and that was going up in every following years.

NTUBES: My first test of patience

Paid-up capital	BDT 348.22 MM
Face value	BDT 10
Listing year	1989
Category	A
Government's holding (%)	51

National Tubes Limited is a government owned company that was established for manufacturing and marketing metal pipes manufactured mainly for gas distribution companies. Bangladesh once had a good deposit of natural gas sufficient for local consumptions. Gas connection was easily available for industrial as well as home bound use. Bangladesh as a densely populated country there was demand for huge new gas lines every year especially for home based connections and National Tubes Limited historically was a profitable company. Until the year 2010 this company was one of the DSE listed companies having high EPS and NAV. Until then its share price was above BDT 300 based on BDT 10 as face value. Earnings and NAV were as follows:

A LONELY WALK

Year	EPS	NAV
2005	21.99	53.53
2006	7.75	42.06
2007	4.72	49.72
2008	11.71	30.45
2009	7.88	31.80
2010	3.57	29.78

(EPS & NAV adjusted to face value BDT 10)

Scenario started changing apart when Bangladesh felt shortfall of gas in supply from local sources as industrialization grew and demand for natural gas increased at a higher rate compared to supply. Government of Bangladesh suddenly stopped new gas connections in 2010. Afterward this decision impacted its earnings and hence share price. Let us check the financial scenario after the decision.

Year	EPS	NAV
2011	(0.715)	175.30
2012	(2.52)	193.62
2013	0.67	215.20
2014	4.96	239.63

Now let us check my transaction detail. I started collecting shares of National Tubes Limited on May 2012. It is important to show all date wise buy of the stock to show the patience that I had to show on this particular case in the collection phase. As negative EPS was growing high and because of the fact that there was frustration about the stock because of the fact that the business of the company has been affected by a major government decision that was related to policy impacted by shortage of local source of gas, that time in the market investors did not expect that the price of this stock may come back in positive trend. But I started collecting the stock because I was following news that government was

planning to withdraw ban on new gas connections,³⁵ while there was no impact of that news on the stock price of the company.

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
30.05.2012	4,000	61.3			4,000
21.06.2012	500	57.00			4,500
24.06.2012	2,300	55.90			6,800
26.06.2012	1,700	61.70			8,500
17.07.2012	4,000	55.00			12,500
18.07.2012	2,700	56.90			15,200
22.07.2012	600	55.72			15,800
23.07.2012	200	55.00			16,000
25.07.2012	2,000	55.50			18,000
29.07.2012	800	55.80			18,800
03.09.2012	4,000	56.20			22,800
08.05.2013	12,000	45.58			34,800
15.05.2013	3,700	44.94			38,500
16.05.2013	5,300	45.21			43,800
15.07.2013	9,300	72.58			53,100
16.07.2013	1,700	81.82			54,800
21.07.2013	6,000	70.50			60,800
25.07.2013	1,000	63.00			61,800
30.07.2013	4,600	64.00			66,400
01.08.2013	100	59.00			66,500
27.08.2013	500	72.40			67,000
18.11.2013			16,000	74.44	51,000
02.12.2013			30,000	72.09	21,000
04.12.2013			15,000	75.13	6,000
05.12.2013			6,000	75.48	Nil
Total (BDT):	3,895,101		4,933,570		
Net gain: BDT 1,038,469					

A LONELY WALK

On 27 August, 2013 the last buy of National Tubes was taken place in my portfolio. Let us check the share of National Tubes in the portfolio. On November 14, 2013 just before selling the stock, the portfolio shows only National Tubes.

ICB Securities Trading Company Ltd.

Member DSE - 71
Shaheb Bazar, Rajshahi
Rajshahi

Contact no(s): 9557786, 7174182, 9570537

Investors Portfolio Statement

A/C No.: 1111		Reporting Date : Nov-14-2013						
Investor: Mr. Md. Nazim Uddin								
BOID: 1111								
Instrument	Qty	Matured	Cost Price	Total Cost	Market Price	Market Value	Realized	Unrealized
NTLTUBES	67,000	67,000	58.3685	3,910,689	115.10	7,711,700	0	3,801,011
				3,910,689		7,711,700	0	3,801,011
Summary Info:								
		Cash balance:		1,016.12		Market Value of Securities :		7,711,700.00
		Receivable Sales:		0.00		Total Cost Value of Securities :		3,910,689.50
		Accrued Charges:		0.00		Equity Value :		3,911,705.62
		Current Balance:		1,016.12		Ratio :		0.00
		Equity Debt Ratio:		.026%		Purchase Power :		1,016.12
		Total Deposit :		3,441,500.00				
		Total Realized(Gain/Loss		1,666,575.69				
		Total Withdrawal:		2,408,909.58				
		Net Deposit:		2,699,166.11				

Portfolio as at 14 November, 2013

On May 7, 2013 government finally allows gas connections for household. That was decision that should impact financial performance of the company and I was waiting for the result. On 10 November 2013 the company disclosed price sensitive information as first quarterly EPS of the company showing improvement. The company declared,

‘As per un-audited quarterly accounts for the 1st quarter ended on 30th September 2013 (July’13 to Sep’13), the Company has reported net profit/(loss) after tax of Tk. 8.37 million with EPS of Tk. 0.46 as against Tk. (17.20) million and Tk. (0.95) respectively for the same period of the previous year.’

That is the EPS I was waiting for. I could wait for further improvement in coming quarters’ financial result. But I did

not wait because I had lack of faith on sustainability of the decision in continued new gas connection as the economy was growing fast while there was no new gas exploration's news and I believed that government has taken the decision temporarily for political reason and may have to retrench the decision soon. As the Demand of the stock increased in the market for the latest financial news showing financial performances of the company was improving, I offloaded my stocks in 17 days. Price moved up further and later government again stopped gas connections and financial performance dropped again.

Year	EPS	NAV
2015	2.26	287.54
2016	0.03	315.87
2017	(2.86)	311.76
2018	(2.05)	312.10
2019	(0.16)	289.2

But the chart image still gives me pain. Ah. I missed a big opportunity of making my portfolio value double you see. I offloaded all my holdings in National Tubes Limited at BDT 75 while it picked to 190 plus by the end of the year 2014.



A LONELY WALK

So, I was wrong in forecasting the high of the trend or impact of the news. When I offloaded, that was the high of the last two years. I should have waited. ‘A’ is the point from which down trend was started. ‘B’ is the area where I offloaded my holding and ‘C’ is the area where I should have waited until. It is approximately BDT 170, a price I should have waited for. If I had, I could have doubled my equity from that move.

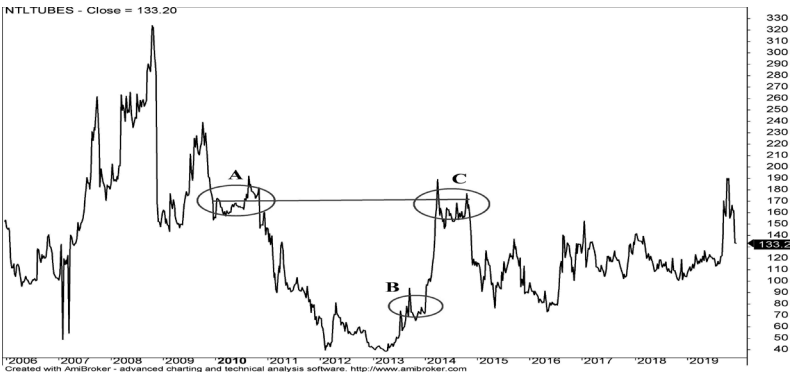


Chart Showing Zone of Collection and Sell

SAPORTL: A big leap

Paid-up capital	BDT 2369 MM
Face value	BDT 10
Listing year	2008
Category	A
Sponsor director's holding (%)	59

In the annual report of 2009, the company, Summit Alliance Port Limited, disclosed that they have acquired 14.5 acres of land by the river Dholeswari near Narayanganj knit palli planning to construct the country's first river container terminal. The project was for transporting export import commodities from Dhaka to Chittagong port and vice versa

directly through river that will reduce cost and time of transportation. The chairman of the company expressed his hope to make the project operational by mid 2011.³⁶ The company did show progress in the project in the year 2010, while in every year since 2009 the company was disclosing the progress in the project with or without photographs. That showed that the company was serious on the project and as it was linked with the main stream economic activity of the country by exporting and importing of commodities, my anticipation at that point was, once the project is complete, that may create a good impact in the media and market.



River Terminal Project, Annual Report 2012

Let us check the disclosure of the company about investment in the river terminal project in different years' annual reports.

Year	2010	2011	2012	2013	2014	2015	2016
Investment (BDT in Crore)	16.2	15.2	11.8	34.5	76.7	117.7	17.1

So, what I noticed that investment in the project got momentum in the year 2013 and then it was doubled in 2014. On October 2013 three sponsors of the company declared that they intend to buy 852,000 shares of the company. By

A LONELY WALK

the mid of 2014 I thought, I should start investing in this stock. Let us check the investment history in this stock.

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
19.05.2014	23800	22			23,800
20.05.2014	34900	21.96			58,700
21.05.2014	24000	22.5			82,700
22.05.2014	47300	23.95			130,000
25.05.2014	8000	23.50			138,000
26.05.2014	3000	23.3			141,000
01.06.2014	50,000	23.11			191,000
23.07.2014	30,000	24.78			221,000
02.11.2014			145,000	63.55	76,000
06.11.2014			10000	73.40	66,000
09.11.2014			66000	75.35	Nil
Total (BDT):	5,119,639		14,921,850		
Net gain: BDT 9,802,211					

ICB Securities Trading Company Ltd.

Member DSE - /1
 Shaheb Bazar, Rajshahi
 Rajshahi
 Contact no(s): 9557786, 71/4182, 95/053/
Investors Portfolio Statement

A/C No.: 112222

Investor: Mr. M. M. M. M.

BOID: 112222

Reporting Date : Jun-30-2014

Instrument	Qty	Matured	Cost/Price	Total Cost	Market Price	Market Value	Realized	Unrealized
BOWELDING	77,000	77,000	12.0037	924,285	11.80	908,600	790,278	-15,685
MICEMENT	10,000	10,000	87.0358	870,358	83.60	836,000	0	-34,358
SAPORIL	191,000	191,000	23.0051	4,393,974	25.70	4,908,700	115,097	514,726
				6,188,617		6,653,300	905,375	464,683
Summary Info:								
		Cash balance:		10,869.86		Market Value of Securities :		6,653,300.00
		Receivable Sales:		0.00		Total Cost Value of Securities :		6,188,617.00
		Accrued Charges:		0.00		Equity Value :		6,199,486.86
		Current Balance:		<u>10,869.86</u>		Ratio :		0.00
		Equity Debt Ratio:		.1753%		Purchase Power :		10,869.86
		Total Deposit :		3,441,500.00				
		Total Realized(Gain/Loss):		3,986,892.69				
		Total Withdrawal:		<u>2,446,448.40</u>				
		Net Deposit:		<u>4,981,044.29</u>				

Portfolio as at 14 November, 2013

As I started selling this stock in November 2014. I had the data of its exceedingly increased investment in the year. By the end of the year 2014 investors probably became aware of the progress in the project though it was a bit earlier than I anticipated.



River Terminal Project Before Launching Operation

Investment in the project topped in the year 2015 for its investment in capital machineries for the project that was the final thing to do before launching operation in the project. But I did not have to wait till final launching of operation of the project. I was following social media I sent a man to the project to know update of the project. I was waiting for news to see published on media. But before that, price started moving upward. When the price tripled, I decided to leave. It was my most successful catch in a very good timing. Though I anticipated to hold the stock for at least two years, I took exit in less than six months. Just before starting selling the stock, it was more than 82% in my portfolio that helped me gain handsome. From the chart you may see the zone of

A LONELY WALK

collection and sell of the stock. Near perfect when one does not have control over the market and the company insider except merely observing the market and collecting information from social media and relying on sense. Also recall that during this time of my investment and exit from Summit Alliance Port in 2014 the DSEX was moving sideways in the range of 4,480 on June 2014 to 4,583 on June 2015. Therefore, the impact in the equity of the portfolio was not helped by the market.



Chart Showing Zone of Collection and Sell

ATLASBANG: A wrong move... in wrong time

Paid-up capital	BDT 331.27
Face value	BDT 10
Listing year	1988
Category	B
Government's holding (%)	51

Atlas Bangladesh Ltd.³⁷ used to assemble motorcycles in its Bangladesh plant importing CKD parts from Honda, Japan and later from Hero Motor Corp, India plant. The business relation of Atlas Bangladesh Limited was discontinued from

Honda Japan and Hero Motor Corp of India on September, 2013. As Atlas Bangladesh Ltd. failed to find another business partner, production of motorcycle in the plant stopped in July, 2014.³⁸ As a result, revenue and profit created a downward trend so the price of the stock in the market.

Year	EPS	NAV	Bikes Sold
2011-2	11.98	205.96	
2012-3	9.14	207.48	36,869
2013-4	5.06	207.42	17,156
2014-5	0.40	203.78	

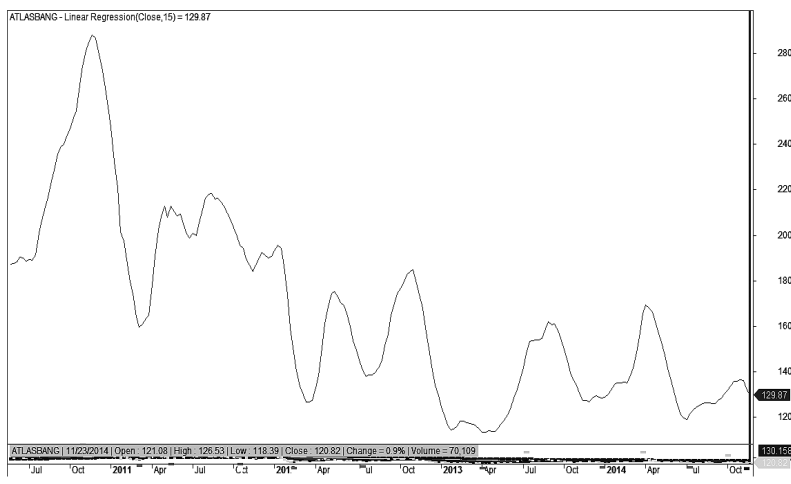
The EPS trend shows that it was doing excellent before 2013, while performance started falling in 2014. Its dividends for the shareholders were also very attractive up to the year 2012. But the dividend also started going downward from 2013 and maintained that trend in 2014 and onward.

Year	Cash Dividend %	Stock Dividend %
2006-7	125	25
2007-8	100	Nil
2008-9	75	33.33
2009-10	100	33.33
2010-1	75	33.33
2011-2	75	Nil
2012-3	50	Nil
2013-4	35	Nil

I thought all these must have impacted the price of the stock. So, my anticipation was, if the company can get back to its original business trend, both EPS and Dividend will come back to its original track and so the price of the stock. The company started negotiation to get dealership of Zongshen

A LONELY WALK

motorcycle. Finally, Atlas Bangladesh Limited was successful in establishing business relationship with the Chinese brand in October, 2014.³⁹ Before this news was officially published by the company, it arrived on my computer screen, while I was searching for next opportunity after successful trade in the stock of Summit Alliance Port Limited- I had price chart of Atlas Bangladesh Limited since 2010 in my mind.



Price of Atlas Bangladesh Limited from 2010 to 2014

Price of this stock was above BDT 280 in 2010, while. even after the crisis in the company's business it once bounced upward to BDT 220 in the first half of the year 2014. In November, 2014 when I decided to pick this stock, price was stalling at BDT 160. The total volume I purchased was 103,200 units, out of which I galloped 92,400 units in first six trades in nine trade days. The remaining stocks I picked in the following 22 months.



Atlas Bangladesh Limited 2014 to 2020

If you look at the price trend of the stock, you have already noticed what happened to the price of this stock after I have already finished collecting the major part of my accumulations. From BDT 160 it plummeted to BDT 80 within a few months after my purchase. My equity value halved. I did not bother. I had confidence that the company will be able to get back to its original trend as a successful business and I shall make profit. At the news of launching of new brand and because of the fact that it was selling a few units from the previous year's zero turnover that impacted the price. Price came back to BDT 160, while that was not my target price. At that stage I still had confidence over the better performance of this company shortly.

A pathetic lesson for me...

But unfortunately, the company by this time lost its reputation in the market. The dealers had left them. The market was now filled in by other brands. Hero, the partner who left Atlas Bangladesh, by this time started its business in Bangladesh with another local partner, Nitol-Niloy group, who established an assembling and manufacturing plant

of the Hero brand in Bangladesh by this time. So, in the absence of operation of Atlas Bangladesh, Nitol-Niloy group easily captured the market of Atlas Bangladesh. Honda, the original partner of Atlas Bangladesh Ltd. also left her and established its own plant in Bangladesh and started marketing its motorcycles using its own marketing channel. Many newer brands, some local like Runner, Jamuna group with big names like Bajaj India with more than 50% market share, TVS India, Yamaha, etc. consolidated their position and captured market share lost by Atlas Bangladesh. Zongshen was a new name and Chinese brands had poor reputation in motor cycle market of Bangladesh. Zongshen could not win the heart of the Bangladeshi bike lovers. Atlas Bangladesh failed. My mission too. Probably it happened because the company is in government sector. Employees were likely not so serious in bringing the company in track. They did not give a desperate try. So, it failed. Another mistake was moving from Japanese reputed brand to a new unknown Chinese brand in the market. For achieving success in this kind of effort, they needed more professionalism and smart marketing strategies that being in the government sector this company lacked. They had to face decision bottlenecks from ministries as well.

I have mentioned earlier that the price of the stock bounced back from BDT 80 to my cost BDT 160 per share, I was holding the stock with faith that the company will show better to better performances in coming months and years, while the market lost faith shortly and I went back to loss zone again. My faith was so high that at that time I invested 100% in that single stock.

A LONELY WALK

days. Before selling Atlas Bangladesh, equity value of the portfolio stood at BDT 16,118,506, mostly contributed by the gain from the immediately previous stock Summit Alliance Port Limited, while after selling stocks of Atlas Bangladesh Limited the equity value stood at 15,088,742. Therefore, net loss incurred from this venture was BDT 1,029,764.

ICB Securities Trading Company Ltd.

Member DSE - 71
Shaheb Bazar, Rajshahi
Rajshahi
Contact no(s): 9557786, 7174182, 9570537
Investors Portfolio Statement

A/C No.: [REDACTED]
Investor: [REDACTED]
BOID: [REDACTED]

Reporting Date : May-03-2016

Instrument	Qty	Matured	CostPrice	Total Cost	Market Price	Market Value	Realized	Unrealized
ATLASBANG	113,420	112,420	142.0897	16,115,814	130.80	14,835,336	-229,672	-1,280,478
				16,115,814		14,835,336	-229,672	-1,280,478
Summary Info:								
Cash balance:				2,692.38	Market Value of Securities :		14,835,336.00	
Receivable Sales:				0.00	Total Cost Value of Securities :		16,115,813.77	
Accrued Charges:				0.00	Equity Value :		16,118,506.15	
Current Balance:				2,692.38	Ratio :		0.00	
Equity Debt Ratio:				.0167%	Purchase Power :		2,692.38	
Total Deposit :				3,687,000.00				
Total Realized(Gain/Loss				14,020,808.24				
Total Withdrawal:				2,811,848.78				
Net Deposit:				14,895,959.46				

Portfolio as at 03 May, 2016

ICB Securities Trading Company Ltd.

Member DSE - 71
Shaheb Bazar, Rajshahi
Rajshahi
Contact no(s): 9557786, 7174182, 9570537
Investors Portfolio Statement

A/C No.:

Investor:

BOID:

Reporting Date : Sep-05-2016

Instrument	Qty	Matured	CostPrice	Total Cost	Market Price	Market Value	Realized	Unrealized
AFTBAUTO	2,000	0	51.4048	102,810	33.80	67,600	0	-35,210
GPHISPAT	25,000	0	28.5136	712,840	34.00	850,000	0	137,160
GOBALLPEN	20,000	20,000	72.2141	1,444,282	80.20	1,604,000	432,885	159,718
KPCL	6,000	6,000	62.0472	372,283	56.10	336,600	0	-35,683
LHBL	80,000	50,000	76.3350	6,106,800	39.70	3,176,000	2,486,446	-2,930,800
MICEMENT	80,000	80,000	78.9304	6,314,432	59.10	4,728,000	-39,694	-1,586,432
				15,053,447	10,762,200		2,879,637	-4,291,247
Summary Info:								
Cash balance:				35,295.69	Market Value of Securities :		10,762,200.00	
Receivable Sales:				0.00	Total Cost Value of Securities :		15,053,446.80	
Accrued Charges:				0.00	Equity Value :		15,088,742.49	
Current Balance:				35,295.69	Ratio :		0.00	
Equity Debt Ratio:				.2339%	Purchase Power :		35,295.69	
Total Deposit :				3,687,000.00				
Total Realized(Gain/Loss				12,998,641.00				
Total Withdrawal:				2,819,450.34				
Net Deposit:				13,866,190.66				

Portfolio as at 05 September, 2016

Though I could not make profit from this stock, I learned lessons. The spell that I learnt is ‘do not fell in love with a government owned company in a country where there is scope for improvement in the governance and accountability.’ One more thing. Though I did not succeed in making profit, the data of subsequent years of the company financials show that ‘yap! I did get it right that the company will not come back again in track.’ Look at the following data. Note, I offloaded all stocks of Atlas Bangladesh during August/September 2016. Negative EPS continued and due to financial weakness, dividend becomes poorer.

Year	Cash Dividend %	Stock Dividend %
2015-6	10	5
2016-7	2	10
2017-8	Nil	10
2018-9	5	Nil

Year	EPS	NAV
2015-6	(1.25)	168.40
2016-7	(2.63)	149.83
2017-8	(1.23)	134.86
2018-9	(0.99)	133.00

LAFARGE: Another nightmare

After long discussions, giant cement-makers France-based Lafarge and Switzerland-based Holcim decided on new financial terms and leadership to pull through the merger plan as it was almost on the verge of collapse. Though it was first announced in April 2014, the deal almost collapsed because of public wrangling between the two companies.⁴² The deal was finally successfully closed in July 2015. In December of the same year the combined entity declared its third quarter of the year and the nine-month period to

September 2015 results. Combined entity also declared plans to raise Euro 3.2 billion in 2016 from selling off assets from its subsidiaries or operations in around the globe to allow the merger to go through because the major obstacle that the combined company have to face next is from antitrust law of different countries where they had operations.

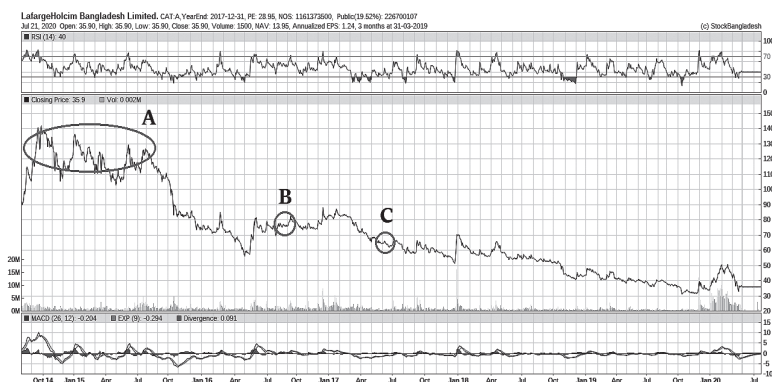
To achieve the merger, the company in the next years sold operations in Malaysia, Indonesia, Egypt, Philippines, Singapore and in many other locations. They had to sell partly in China and India as well. These were going on during the whole year of 2016. Investors in Bangladesh did not know at that time about what will be Lafarge-Holcim's decision regarding Lafarge Surma Cement Limited in Bangladesh. Something was going on behind the scene. A part of Shares of Holcim Bangladesh Limited were held by local partners including Siam City Cement of Thailand. They sold their part to Holcim BV. That was opposite to what was happening in Malaysia, Indonesia, Philippines, etc. Price of the shares of Lafarge Surma Cement Limited was staying at BDT 78-80 from its last year high of approximately BDT 145. I decided to move into this stock. Gradually shifted my entire investment into stocks of this company. By 19 February 2017 there were 189,300 stocks of Lafarge Surma Cement in my portfolio. On August 2017 the company declared that she wants to remit \$117 million (about Tk 950 crore) to the Netherlands to complete the process of buying its shares in Holcim Cement Bangladesh.⁴³ At the time of declaration I was in profit in this stock. But I decided to wait till the merger process gets complete. Earlier in 2015 at the rumor of the merger the price hiked to BDT 145. I thought that the price of the stock should at least reach to that level at the execution of the merger. But unfortunately, problem started at this stage from the end of the regulatory authority of Bangladesh and that delayed my

expected event. Bangladesh Bank approved the share transfer of Lafarge Holcim for the merger but said that the share is overpriced and asked Lafarge Surma to submit documents related to share valuation of Holcim Cement. The valuation of 88,244 shares of Holcim Bangladesh Limited was agreed between the parties as \$117 million while the central bank gave approval of only \$62.52 million.⁴⁴ But that news of the disagreement on the pricing matter from the Central Bank reached the market late in December 2017. In the meantime, price of the stock was gradually going down instead of going upward for which I was clueless. Tried to know its exact cause from several sources... could not know... was in dark. On May 2017 failing to know the reason or progress, I offloaded all my stocks in this company in loss..., the largest in my career. Let us check the investment history in this stock.

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
28.08.2016	30,000	75.78			30,000
29.08.2016	20,000	75.55			50,000
04.09.2016	30,000	76.60			80,000
18.09.2016	24,000	81.89			104,000
20.09.2016	17,500	80.44			121,500
27.09.2016	11,500	78.60			133,000
28.09.2016	55,500	78.94			188,500
03.10.2016	300	78.60			188,800
19.02.2017	500	83.30			189,300
09.05.2017			129300	68.00	60,000
14.05.2017			45000	67.90	15,000
17.05.2017			15000	66.00	Nil
Total (BDT):	14,805,760		12,837,900		
Net loss: BDT (1,967,860)					

A LONELY WALK

Please also check the price trend of the stock of Lafarge Surma Cement Limited (later named as Lafarge-Holcim Bangladesh Limited). 'A' is the historic high that inspired me to buy the stock. 'B' is the area where I collected the stock and 'C' is where I sold. You have also noticed already that even after my sell, the stock continued to fall for a long time and still could not create a sustained upward trend. It is because, even after the merger the financial performances of the newly restructured company remain weak.



Lafarge Surma Cement Limited 2014-20

Time of an unsettled mind

After the big loss from Lafarge Surma at that time I was looking for a stock that may help me to recover from my earlier losses. I made a list of stocks which was settling at a lower price than its high in one or two years and had a prospect of improved business performances. I was a bit unsettled. Was switching comparatively faster from one to another stock. Profile of a few companies attracted me and their stock price was comparatively lower in the market. Among them I want to talk about Apex Footwear Limited, Apex Tannery Limited, Linde Bangladesh Limited and Kohinoor Chemicals Limited as they had promising prospect from their price of that time.

APEXFOOT

Paid-up capital	BDT 118.12 MM
Face value	BDT 10
Listing year	1993
Category	A
Sponsor director's holding (%)	31.92

Apex Footwear Ltd. decided to expand its export unit by the end of 2018. So, it is expected that this company will achieve a good growth in coming years. In my opinion, it is not a good idea to switch at this price. On July 10, 2017 a note I wrote, 'I could not stick with my previous decision. On 13 June, 2017 there have been a sudden huge block trade of Apex Footwear Ltd. It was 3,28,000 shares @ 365, while market rate was around 340. In the following few days another 1,60,000; 10,000; 5,700; 3,10,000, 1,18,000 and 5,000 followed. I anticipated a move by a big party or a change in company's ownership. So, decided to increase shares of Apex Footwear Ltd.' I added, 'The block trade of Apex Footwear still remains unknown to me and to the mass people in the market. Shareholding percentage on DSE website also shows no change in the holding. Therefore, we have to wait to know more about it. But I am already in the company's shares with largest portion of my investment. Let's wait.'

On July 26, 2017 I wrote, 'There is still no clue of these block trades. I have a few hypothesis. These may be foreign investment or someone want to become a director. Another possibility is that the sponsor director currently is holding 19.42% where recent SEC rule requires 30% holding. If the present sponsors have plan to raise their holding to required percentage, they need additional 10.58% or 11,90,250 shares. If block trade stops somewhere around this figure, the last possibility will remain valid until official declaration comes on DSE board.'

A LONELY WALK

Apex Footwear is growing and it is introducing new shoes for local market. Now it is better than Bata in variety. It has introduced new snickers and a new brand Fly which is far cheaper. This implies that Apex Footwear will grab market of mass people in Bangladesh.

I have observed that both Apex Footwear and Apex Tannery has tendency to accumulate properties. From news board I have got the following related news for both of the companies.

It conducted revaluation of its 1869.5 Decimal Land in the year 2011. It purchased another 165 Decimal in 2011 and 8 Decimal in 2011. Counting all these it presently has grossly 61 Bigha of land.

Risk factor is that both Tannery and Footwear business is going through bad time. If it can get rid of the present situation, it is a good investment for long term.

On 12 November, 2017 I wrote, 'On 14 November first quarterly EPS of Apex has been declared. In this quarter EPS has reduced to 9.47 from last year's, 11.07. My anticipation has been wrong again in this case. Now expecting a loss from this scrip. Finally on late February 2018 I started losing confidence from Apex Footwear Limited and decided to offload.

this

stock.

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
14.05.2017	5,000	328.83			5000
17.05.2017	2,000	333.09			7000
06.07.2017	15,000	342.20			22000
30.10.2017	2,000	331.90			24000
13.11.2017	1,600	335.19			25600

28.02.2018			5,000	328.43	20600
01.03.2018			10,000	324.68	10600
14.05.2017			2,456	327.63	8144
14.05.2017			8,144	329.41	Nil
Total (BDT):	8,643,434		8,376,324		
Net loss: BDT (267,110)					

APEXTANRY

Paid-up capital	BDT 152.40 MM
Face value	BDT 10
Listing year	1985
Category	A
Sponsor director's holding (%)	30.40

Following the Supreme Court order to stop leather tanning in the city's Hazaribagh by April 6, 2017 tannery owners had to permanently shut down their tannery units from an almost 60 year old original location at Hazaribagh and shift them to newly relocated tannery industrial park at Savar.⁴⁵ Though the tannery owners had to shift their operations to Savar tannery park following the deadline of the supreme court of the country, in practical term the park was not ready yet. Central ETP was not working, infrastructure was not ready and the tannery owners could not complete the shifting of their respective facilities in the new location or they were showing less enthusiasm in doing so. In a report of June 2017, it was revealed that only 35% of them shifted their factories to the new location by this time.⁴⁶ Though most did not, Apex Tannery Limited, the listed leading tannery company of the country did.⁴⁷

Because of the fact that about more than 50% of the tannery factories who were involved in raw hide processing for shoe

A LONELY WALK

industry of the country and abroad, I anticipated a shortfall of the processed hides required for the shoe industry of the country and their foreign buyers. As Apex Tannery Limited shifted and could start operation in the new location, that made me think that Apex Tannery Limited may have a better business in the coming years. So, I added Apex Tannery Limited with Apex Footwear Limited. On November 6, 2017 a note I wrote, 'Decision to buy shares of Apex tannery limited has been influenced by its fundamentals of investment in Apex Footwear Limited and the fact that the Shafipur unit of the tannery has been leased out to Apex Footwear Limited for the next 10 years that will be ended in 2020. The Hazaribagh plot has been evacuated and now empty. It is likely that this land will be sold by the company and will have a financial gain from here. Risk factor is that the business is affected due to shifting from Hazaribagh to Savar.' But incurred loss.

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
05.11.2017	2,000	153.20			2,000
06.11.2017	14,000	153.89			16,000
13.11.2017	4,000	147.88			20,000
16.11.2017	8,299	147.76			28,299
19.11.2017	4,400	148.18			32,699
20.11.2017	1	147.60			32,700
07.01.2018			2,700	148	30,000
26.02.2018			26,000	142.59	4,000
27.02.2018			3,800	141.92	200
28.02.2018			200	142	Nil
Total (BDT):	4,930,780		4,674,636		
Net loss: BDT (256,144)					

KOHINOOR

Paid-up capital	BDT 222.01 MM
Face value	BDT 10
Listing year	1988
Category	A
Sponsor director's holding (%)	50.57

On July 10, 2017 I wrote in my note book, 'Kohinoor Chemicals Limited shows a good change in the shareholding percentage on DSE website. On June 30, 2017 public portion has been reduced to 35.10% from 37.41% in May 31, 2017. It was 39.43% in June 30, 2016. Institutes have increased their holding. Other categories remain unchanged. Therefore, institutes showed continued growing interest in investing in the shares of this company.' I made profit from this stock. Transaction record follows.

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
09.05.2017	3,234	385.63			3234
11.05.2017	2,766	390.36			6000
24.05.2017	1,600	391.98			7600
04.07.2017	3,000	415.45			10600
05.07.2017	1,500	421.69			12100
06.07.2017	1,000	419.47			13100
10.07.2017	400	415.00			13500
30.10.2017			1,500	448.70	12000
01.11.2017			7,000	457.55	5000
06.11.2017			5,000	434.15	Nil
Total (BDT):	5,418,386		6,046,650		
Net gain: BDT 628,264					

LINDEBD: Round 1

Paid-up capital	BDT 152.18 MM
Face value	BDT 10
Listing year	1976
Category	A
Sponsor director's holding (%)	60

Linde Bangladesh Limited was doing good business and has taken initiative to increase its production capacity. According to its earlier disclosed news published in 2015, it is increasing its production capacity from 60 TPD to 160 TPD. From a source I came to know that the company will launch its operation in new plant from June/July of this year. In the annual report of 2016, the company disclosed that due to change in plant location of old plant from Tejgaon to Rupganj and installation of new plant in Rupganj, the company had to import gases from India to continue supply of goods to customers. Still in that year the company achieved EPS growth. Thus, after new plant installation the company may achieve cost and profit advantages. I picked and this stock secured a good return for me. Let us check the transaction record.

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
09.05.2017	4,180	1129.93			4,180
11.05.2017	820	1250.76			5,000
14.05.2017	1,000	1280.23			6,000
04.07.2017			1,000	1281.12	5,000
05.07.2017			500	1295	4,500
06.07.2017			4,500	1275.98	Nil
Total (BDT):	7,028,961		7,670,530		
Net gain: BDT 641,569					

I also tried a few other company's stocks in this short period of time while I was trying to find a big catch. By the way, in this cycle stocks that I tried were of very low paid-up capital and having good existing business. From the four mentioned efforts my net gain stood at BDT 746,579 $\{(267,110)+(256,144)+628,264+641,569\}$.

TITASGAS: Could not come back

Paid-up capital	BDT 9892.22 MM
Face value	BDT 10
Listing year	2008
Category	A
Sponsor director's holding (%)	75



Titas Gas Co. Limited from 2014 to 2020

Titas gas Transmission and Distribution Co. Limited is a government owned largest gas distribution company in the country. It was established in 1964 with 90% ownership of the government of Bangladesh and 10% of Shell Oil Company. Later, the government of Bangladesh acquired the remaining shares from the Shell Oil Company and hence was fully nationalized. The company enlisted itself in the Dhaka

Stock Exchange in the year 2008. Because of its handsome annual income and EPS and very good financial base with huge amount of cash reserve, the share was attractive to the shareholders from the beginning. It could attract foreign investors in its portfolio too. Until halfway of the year 2015 its usual stock price was above BDT 70. Afterward it experienced a steep fall in its share price and that came below BDT 50 in a few months and then the downward trend continued in the next two years when that came below 40. That happened because of an unexpected government decision to reduce gas transmission charge that was the main source of income of the company. In addition to this, growth in gas sales of the company reduced despite of industrial growth because the country did not have significant new gas explorations in the last few years and also government cancelled new gas connections in industry and residences.

On July 2016 US based LNG company Excelerateenergy disclosed ‘On July 18, 2016, Excelerateenergy L.P. (“Excelerate”), Petrobangla, and the Government of Bangladesh executed the Terminal Use Agreement (“TUA”) and the Implementation Agreement (“IA”) for the construction and operation of Bangladesh’s first LNG import terminal –Moheshkhali Floating LNG. Located offshore near Moheshkhali Island in the Bay of Bengal, the terminal will provide the crucial infrastructure required for the country to access natural gas from global markets. The signing of the agreements signals the commencement of the project and the approval to move forward to implementation. The terminal is expected to be in operation in 2018.’⁴⁸ By March 2018 the state-owned agency Petrobangla had already struck deals on the import of LNG from a number of sources and the construction of the terminal by a US firm was now reported

to be at the final phase. By this time the stage was also set for putting into effect yet another hike in gas prices for the domestic consumers to compensate for high cost of imported LNG. However, what was not yet fully ready was the pipeline to carry the entire volume of gas to be made available by the LNG terminal to the consumers, was reported in a national daily.⁴⁹ LNG terminal project will solve the shortage of gas supply in the country, was in the final phase and it is Titas Gas Company who is supposedly a definite beneficiary of the mega project without any question. It was declared by the authority that on 25 of April 2018 LNG terminal will start supplying gas. So, I thought it is time to invest in Titas Gas stock. Now or never. Let us check my trades in stock of Titas Gas Company. And before that let us check its EPS and Dividend trend in the previous years.

Year	Cash Dividend %	Stock Dividend %	EPS
2014	38	Nil	10.83
2015	15	Nil	8.98
2016	20	Nil	7.37
2017	22	Nil	5.12
2018	25	Nil	3.43
2019	26	Nil	4.70
2020	26	Nil	3.64

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
26.02.2018	50,000	42.03			50,000
05.03.2018	15,000	41.99			65,000
06.03.2018	35,000	42.18			100,000
14.03.2018	25,000	41.34			125,000

A LONELY WALK

15.03.2018	20,000	41.12			145,000
18.03.2018			11,000	40.95	134,000
19.03.2018			29,000	40.88	105,000
20.03.2018			5,000	40.83	100,000
04.04.2018	57,715	41.61			157,715
05.04.2018	11,785	41.39			169,500
12.04.2018	24,000	41.96			193,500
15.04.2018	36,000	41.95			229,500
16.04.2018	37,500	40.98			267,000
17.04.2018	25,500	40.78			292,500
30.04.2018			12,500	40.84	280,000
03.05.2018			80,000	40	200,000
06.05.2018			100,000	39.54	100,000
03.05.2018			100,000	39.30	Nil
Total (BDT):	14,046,732		13,434,620		
Net loss: BDT (612,112)					

Ultimately delay in project implementation made the thing delayed and I decided to stay no longer with this stock. Incurred loss.

Frustrations!

Though in a note on 24 March 2018 I wrote, 'At this stage I am thinking about my present and future in this business. It has been frustrating in the past four years. Never been in such a long bad patch...! This time I should stop and think. No transaction until I get profit,' I had to give up again. In a note on 5 April 2018 I wrote, 'I don't know what I am doing and why. I also don't know where I am heading towards. In short distances I am changing my mind and loving another stock or portfolio or combinations. Again, changed the portfolio recently. Who knows for how long and for what goal!' on 6

May 2018 I wrote, 'I have decided to take a break... no more analysis.' Do you read my frustrations at this stage? I believe you can understand my situation.

MJLBD: Recovery step 1

Paid-up capital	BDT 3167.52 MM
Face value	BDT 10
Listing year	2011
Category	A
Sponsor director's holding (%)	71.53

Along with Titas Gas, I was collecting shares of Mobil Jamuna Bangladesh Limited (MJL), in small quantity though. It was initially a joint venture of Exxon Mobil of United States and the state-run oil marketing company Jamuna Oil Bangladesh Limited. Later the share of Exxon Mobil was sold to local company East Coast Group, while Jamuna Oil retained its share in the company. Original business of the company is importing and blending Mobil brand lube oil and later expanded to other operations. One of the major operations is importing, storing and marketing LPG in the household and industrial customers. Bashundhara LPG was the market leader and MJL's brand Omera LPG was in the second position in the market. But it was expanding with visible marketing strategies. It was creating its supply chain network. It was constructing two LPG barges, Omera glory and Omera king, while it was operating with another barge, Omera princess, to feed regional bottling plants located inside Bangladesh. New barges will reduce cost of transportation and will give it competitive advantages.



Omera Princess Launched in 2015 (from social media)



Omera Glory Launched in March 2018 (from social media)

I also noticed that MJL had, by this time, created a joint venture between its subsidiary Omera petroleum Ltd. (51%) and a Japanese giant Saisan Co. Ltd. (49%) forming Omera gas one Ltd. which will supply gas for automobiles and industry. It introduced reticulated gas system for the industries.



From Omera Gas One's Page

There were some government moves targeting new gas infrastructure. Gas distribution companies like Titas gas and others were desperately searching for illegal gas connections as after LNG implementation in the country government has to pay huge amount of bill for importing gas while these illegal gas connections, if not disconnected, will consume them without paying anything. In Dhaka region those illegal connections may number about 0.1 million or more. These families, if get a connection cut, will now use LPG. That may create a new set of customers for MJL and its competitors. MJL being the second largest, may grab a good number of them. Anticipating all these I selected this stock to invest in. But for earning a handsome profit, the company needs an increase in gas price. And another problem in the LPG sectors was that the government allowed more than 50 new companies to enter in this market to make it competitive and almost 30 already had invested in their infrastructure in Mongla region of the country. Let us check MJL's dividend trend.

Year	Cash Dividend %	Stock Dividend %	EPS
2014	15	15	4.4
2015	30	10	4.18
2016	-	-	-
2017	45	Nil	6.91
2018	45	5	7
2019	45	Nil	5.87
2020	45	Nil	5.52

At this stage let us check my trade and result in this stock.

A LONELY WALK

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
30.04.2018	5,000	102.00			5,000
03.05.2018	31,000	102.17			36,000
06.05.2018	13,500	102.60			49,500
08.05.2018	500	103.10			50,000
13.05.2018			10,000	105.75	40,000
14.05.2018			35,000	104.97	5,000
15.05.2018			5,000	103.54	Nil
Total (BDT):	5,113,920		5,249,150		
Net gain: BDT 135,230					

Therefore, I could not make a good profit from this move. But at least did not incur loss. I traded MJL once again later in the year. But could not make profit and took exit at breakeven seeing a better opportunity in other stock.

SINGERBD: Recovery step 2

Paid-up capital	BDT 997.03 MM
Face value	BDT 10
Listing year	1983
Category	A
Sponsor director's holding (%)	71.5

At that time I was thinking about ACI Limited. I started jumping in ACI Limited considering its price very attractive at that time. Bought 10,000 ACI Limited @ BDT 351.92. I was not sure about appropriate time to enter in ACI Limited though I was waiting long for an opportunity to enter in this stock and I missed once at approximately BDT 150 per

share from which it hiked to BDT 650 plus. Then suddenly a rumor popped up on my computer screen while searching for alternatives or better opportunities. The news was about a listed multinational company, Singer Bangladesh Ltd. The company was an US origin and it had operation in Sri Lanka, Pakistan, India and Bangladesh. We heard that the original owner of Singer Bangladesh Limited was long trying to sell its business in Bangladesh. In 2010 a local giant Beximco Limited showed interest in buying shares of Singer Bangladesh.⁵⁰ Later that move of Beximco Limited could not reach to final deal. But by this time Mr. Goodman, the owner of Singer in the said countries were selling one after another. By this time he has sold Singer Pakistan and Singer Sri Lanka. Then about the rumor. The rumor was that British Brand Beko is going to take over Singer Bangladesh. Initially I took it as a very prospective rumor to consider for further investigation.

A one step search informed me that Beko is a brand taken over by a Turkish giant Arçelik A.Ş and it has leading brands such as Beko in UK, Grundig of Germany, Dawlance of Pakistan, Altus, Blomberg, Arctic, Defy, Leisure, Arstil, Elektra Bregenz and Flavel in its portfolio. It also has a joint venture with TATA India in Voltas air conditioner manufacturing. So, it is already in Pakistan and India. Reuters made it clear that Arçelik was also targeting to enter Bangladesh from the statement of CEO Hakan Bulgurlu, ‘significant demand growth’ is expected in southeast Asia and the Indian subcontinent, including Indonesia, Vietnam and the Philippines, as well as Bangladesh, Pakistan and India.⁵¹

So, things are in track. I expected a good impact on the price of Singer Bangladesh’s stock of this news or event if it comes out and I picked this one. Changed my decision to enter in

ACI limited. Sold 10,000 ACI @ 363.05 with a small profit. Gradually offloaded other major investments in other stocks and entered in Singer Bangladesh. Its dividend and EPS trend was also attractive.

Year	Cash Dividend %	Stock Dividend %	EPS
2015	30	10	4.18
2016	-	-	-
2017	45	Nil	6.91
2018	45	5	7
2019	45	Nil	5.87
2020	45	Nil	5.52
2021	55	Nil	7.53

Now let us check my investment and outcome from Singer Bangladesh Limited.

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
08.05.2018	22,000	173.77			22,000
10.05.2018	200	171.90			22,200
13.05.2018	6,000	169.52			28,200
14.05.2018	500	171.50			28,700
15.05.2018	3,000	174.84			31,700
16.05.2018	14,690	174.56			46,390
17.05.2018	5,910	173.92			52,300
20.05.2018	7,410	169.17			59,710
21.05.2018	7,400	170.22			67,110
05.06.2018	75	165.40			67,185
24.06.2018	300	175.15			67,485
26.06.2018	1,000	182.77			68,485

27.06.2018	6	181.97			68,491
28.06.2018	7	182.64			68,498
23.07.2018	10	204.20			68,508
29.07.2018			8,508	212.89	60,000
31.07.2018			10,000	204.17	50,000
04.09.2018			5,000	208.00	45,000
05.09.2018			15,000	206.81	30,000
09.09.2019			20,000	212.91	10,000
10.09.2019			10,000	209.89	Nil
Total (BDT):	11,842,174		14,352,218		
Net gain: BDT 2,510,044					

I partly took exit before the final deal, while the market already responded to the prospective deal. The news of take-over of Singer Bangladesh Limited by Arçelik arrived by the end of March 2019. After the deal, I waited with a few stocks to see impact of the take-over on the business. I noticed no significant change in the business performance and finally decided to change this stock into another by September, 2019.⁵² As a whole the stock of Singer Bangladesh Limited gave me a good return.



ICB SECURITIES TRADING COMPANY LIMITED
(A Subsidiary of ICB)
Rajshahi Branch

Dr. Gaffar Plaza (4th Floor), Main Road, Shaheb Bazar, Ghoramara, Rajshahi, Phone :
0247-812194, E-mail : istcraj@gmail.com, Web : www.istc.com.bd

PORTFOLIO STATEMENT DATED ON July 28, 2018

Client Code : BO ID : Name : A/C Status : Active Date : 28-Jul-2018
Account Type : Direct Trading Account

Company Name	Total Qty.	Saleable Qty.	Avg. Rate	Cost Amount (TK.)	Closing Price(TK.)	Market Value(TK.)	Realize Gain/(Loss)	Unrealize Gain/(Loss)	% of Invest
Non Marginable Securities									
DACCADYE	25,000	25,000	9.29	232,325.55	6.40	160,000.00	-133,337.86	(72,325.55)	1.91
TALLUSPIN	4,000	4,000	11.24	44,979.20	6.30	25,200.00	-16,692.80	(19,779.20)	0.37
				277,304.75		185,200.00	-150,030.66	(92,104.75)	2.28
Marginable Securities									
SINGERBO	68,508	68,508	173.55	11,889,408.30	212.80	14,578,502.40	2,403,183.71	2,689,094.10	97.72
				11,889,408.30		14,578,502.40	2,403,183.71	2,689,094.10	97.72
Total :				12,166,713.05		14,763,702.40	2,253,153.04	2,596,989.35	100.00

Account Status

Available Balance	:	5,043.87	Cost Value of All Securities	:	12,166,713.05
Receivable Sales	:	0.00	Market Value of Securities	:	14,763,702.40
Unclear Cheque	:	0.00	Equity	:	14,768,746.27
Ledger Balance / (Loan)	:	5,043.87	Marginable Equity	:	14,583,548.27

Deposit/Withdraw Status

Deposit Amount Tk.	:	4,195,000.00	Non Marginable Equity	:	185,200.00
Share Transfer In Tk.	:	111,443.75	Sanction Amount	:	0.00
Total Deposit	:	4,306,443.75	Loan Ratio	:	0.00
Total Withdraw	:	2,860,600.00	Debt to Equity Ratio	:	0.00
Share Transfer Out Tk.	:	0.00	Purchase Power	:	4,043.87
Total Withdraw	:	2,860,600.00	Withdraw Limit	:	5,043.87

Net Deposit/(Withdraw)	:	1,445,843.75	Excess Over Limit	:	0.00
			Allocated Dividend	:	0.00

Realized Charge Status

Realized Interest	:	0.00	IPO Investment	:	0.00
Other Realized Charge	:	134,002.00	Right Investment	:	0.00
Total Realized Charge	:	134,002.00	Capital Gain	:	
Interest Accrual	:	0.00	Realized Gain/(Loss)	:	27,938,645.16
CDBL Charge Receivable (Approximate)	:	0.00	Unrealized Gain/(Loss)	:	2,596,989.35
Fund withdraw Request	:	0.00	Net Gain/(Loss)	:	30,535,634.51

Portfolio as at 28 July, 2018

From the portfolio statement on 28 July 2018, you may find my confidence on this stock. 97.72% was this stock in the portfolio. Equity recovered. Thank you Singer Bangladesh Limited and Arçelik! I am expecting now that I am out of bad patch. Next trades may confirm.

Now let us check the chart that shows ‘A’ is the area where I collected the stock, ‘B’ is the area where I sold and ‘C’ is the pick where it reached after the merger.



Singer Bangladesh Limited, A-B-C chart

Though I was in right time to enter, my time of exit was not appropriate. I could wait a bit longer to get better return from here. But as I don't know 'when and how much' about market players, it is the best thing that I could do.

BSC: Recovery step 3

Paid-up capital	BDT 1525.35 MM
Face value	BDT 10
Listing year	1977
Category	A
Government's holding (%)	52.1

Bangladesh Shipping Corporation (BSC) is a government owned DSE enlisted corporation that involves in shipping business. The corporation was established by the government of Bangladesh in the year 1972. Once it had as many as 30 sea going ships in its fleet, while on the reporting date of the 2017-8 annual report it had only two 1987 built old 14,541

A LONELY WALK

DWT oil tankers. Because of the age and international law these two ships were not used for international voyages, instead were used as lightering vessels.

Therefore, though the company was not doing well in its original business and its earnings was not good, it had some good news that market seems have forgotten. Earlier BSC inked a deal with a Chinese firm to build 6 sea going vessels of 39000 DWT, 3 oil tankers and 3 bulk carrier vessels. Later the ship building process remained halted due to financing related problem. BSC wanted a loan for building the ships. In the year 2015 China Exim Bank sanctioned a \$185 million loan for the project.⁵³ That helped the project moving. Bangladesh Shipping Corporation was going to commission two of them, Banglar Joyjatra and Banglar Sommriddhi, in September 2018, three more in December in the same year and another in February, 2019.⁵⁴ That news was already published in mass media in April, 2018. I could follow progress through Chinese firm's website and they were in progress as per schedule.



Handover of Banglar Samriddhi (from social media)

Here is one of the two ships of the first lot handed over in China. Joyjatra was handed over in July to BSC officials in China and was waiting to arrive in Chittagong after making some voyages.



From Ship Builder's Website

Here are two more ships in progress in the Chinese dock. Also, in the next picture the Chinese site shows launching and handover of oil tankers in their dockyard in September 2018.

At 16:45 on 13th September, the 1st 6200DWT general cargo vessel built by Jiangsu Yangzijiang Shipbuilding Group Co., Ltd. for Pan Ocean is successfully launched from New Yangzi No.1 Drydock, the vessel's hull number is N1264. Mr Choi IV, the president of PanOcean Ship Management Co., Ltd., Mr Kim MS vice president of PanOcean Ship Management Co., Ltd., Mr Kim JK, general manager of KR shanghai, Mr Lyu Jianwei, vice general manager of Yangzi Jiang Group and general manager of new yangzi shipyard, Mr Zhang Tao, vice general manager of yangzi jiang group etc. witness the successful launching. The vessel with HN1264 is keel laid on 8th June 2018 and is to be delivered in December, there are five series vessels in total.

At 17:15 on 13th September, the 3rd 3900DWT product oil tanker built by YZJ shipbuilding Group for BSC and CMC is successfully launched from New Yangzi No.1 drydock, the vessel's hull number is N1241. Our group has built three sister vessels which are all equipped with FRAMO system, the vessels are able to carry almost all kinds of IMO II chemical products. Mr Yuan Yiping, representative of BSC and general manager of CMC, Mr Lyu Jianwei vice general manager of YZJ group and general manager of New Yangzi shipyard etc. attend the launching ceremony.

Facilities
News
Responsibility
HR
Relations
Honor

Copyright: E-mail: yhg@yhg.com
Hianyi Road, Jiangyin-Jingjiang Industry Zone, Jingjiang City, Jiangsu Province, P.R. China

0086-523-84660022

From the Ship Builder's Website

Earlier in April 2017 BSC inaugurated its 25 storied commercial plus office building 'BSC Tower' in Dhaka.⁵⁵ By this time most of the available spaces of the building should have been rented out and that should add financial return to BSC's overall earnings. Price did not move yet. I decided to move in. Let us check my trade and return from the stock.

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
05.09.2018	10,000	42.29			10,000
09.09.2018	90,000	42.41			100,000
17.09.2018			40,000	42	60,000
19.09.2018	40,000	42.89			100,000
20.09.2018	72,000	42.77			172,000
23.09.2018	24,000	42.22			196,000
24.09.2018	9,000	41.78			205,000
25.09.2018	25,000	41.95			230,000
27.09.2018	20,500	41.53			250,500
30.09.2018	25,138	41.86			275,638
01.10.2018	15,362	41.94			291,000
04.10.2018	16,000	41.10			307,000
07.10.2018	20,000	39.03			327,000
11.11.2018			27,000	41.34	300,000
14.11.2018	1,000	40.00			301,000
15.11.2018	27,000	38.75			328,000
10.12.2018	200	39.10			328,200
27.12.2018	3,230	39.20			331,430
01.01.2019	300	39.50			331,730
02.01.2019	70	40.50			331,800
13.01.2019			132,800	43.16	199,000
14.01.2019			49,000	43.15	150,000
16.01.2019			20,000	47.41	130,000
17.01.2019			10,000	46.26	120,000
20.01.2019			20,000	45.04	100,000
21.01.2019			70,000	45.15	30,000
22.01.2019			30,000	44.25	Nil
Total (BDT):	16,694,385		17,441,778		
Net gain: BDT 747,393					

A LONELY WALK

So, net gain that I made was positive, while not as per prospect that I anticipated. This figure does not tell the whole story. You must see the chart to know why I am telling that in this journey in Dhaka Stock Exchange I had to go against the stream. Please check the chart.



Bangladesh Shipping Corporation, A-B-C chart

‘A’ is the area where I made my entry. ‘A@’ is the area where I made my majority investment and afterward the stock price eroded from its longtime sideways movement and created all time low in the chart at ‘A#’. I had to hold my nerve at this stage. Then offloaded at ‘B’. If you compare the price difference between the two points ‘A’ and ‘B’, you must say, ‘Oh! It is not that much. You could wait until ‘C’!’ You are right. But will you not give me credit for keeping me cool at ‘A#’ and probably now the score is level between them and me. ‘They’ wanted me out at BDT 35. I did not. I win here. But they have been successful in pushing me out at BDT 45 while they took it to BDT 60! You may ask whom do I mean by ‘they’? Believe me. I don’t know who ‘they’ are! But believe, they control this market and they love full control. I don’t know if they follow me as I do not follow them. It is less likely though. I think, my trade and the price trend was such because of a coincidence.

A quick in fuel sector

At that time market was whispering about fuel sector. I had to look at their annual reports and found them suitable to invest. I selected Jamuna Oil Limited and Meghna Petroleum Limited among the three in government sector. There was another, Padma Oil Limited, while its share price was comparatively higher. All the three were declaring attractive EPS and dividend in the last few years. That was time for dividend of these companies. So, as per market trend, it was very likely that investors will move towards these stocks.

I have talked about Jamuna Oil Limited earlier. Like Jamuna Oil, Meghna Petroleum was one of the three subsidiaries of Bangladesh Petroleum Corporation, the government owned petroleum importing and marketing entity, responsible for oil marketing in the country. Despite of equal market share, by achieving efficiency and investment in its infrastructure, Meghna Petroleum was performing better than other two in recent years and was able to distribute better dividend for the shareholders. More of it, the company was trying to diversify its income sources by investing in construction of a 19 storied commercial building in Chattogram. At this stage let us check the return from the quick trip to these two companies.

JAMUNAOIL: A quick trip 1

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
13.01.2019	9,500	196.90			9,500
14.01.2019	3,900	202.84			13,400
15.01.2019	1,400	202.00			14,800
20.01.2019	300	196.30			15,100
21.01.2019	4,400	200.91			19,500

A LONELY WALK

30.01.2019			5,000	200.21	14,500
31.01.2019			4,500	199.00	10,000
04.02.2019			10,000	206.36	Nil
Total (BDT):	3,887,320		3,960,150		
Net gain: BDT 72,830					

MPETROLEUM: A quick trip 2

Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
13.01.2019	6,000	207.27			6,000
14.01.2019	6,000	214.71			12,000
20.01.2019	1,000	211.50			13,000
21.01.2019	4,000	216.79			17,000
22.01.2019	5,000	212.00			22,000
06.02.2019			2000	232.09	20,000
10.02.2019			17956	231.10	2,044
11.02.2019			2044	227.99	Nil
Total (BDT):	4,670,540		5,079,823		
Net gain: BDT 409,283					

So, in this quick trip to oil sector, I could make total gain of BDT 482,113, which is 5.63% on invested amount.

LINDEBD: Saved portfolio in down trend

As in the previous investment, I was in fuel sector of the country, I was surfing on internet for opportunities, risks and other news in this sector. From that search I decided my next investment. It was Linde Bangladesh Limited, which operates in fuel and power sector but manufactures industrial and medical gases and some hard goods like electrode rods for industrial and commercial use in Bangladesh. In its area, it was market leader with huge competitive advantages of

world top ranked technology from its parent Linde Plc., head office located in Germany. Recently Linde Plc has merged with Praxair of United States. It created more potential of the company to achieve more products in its existing already rich lines.

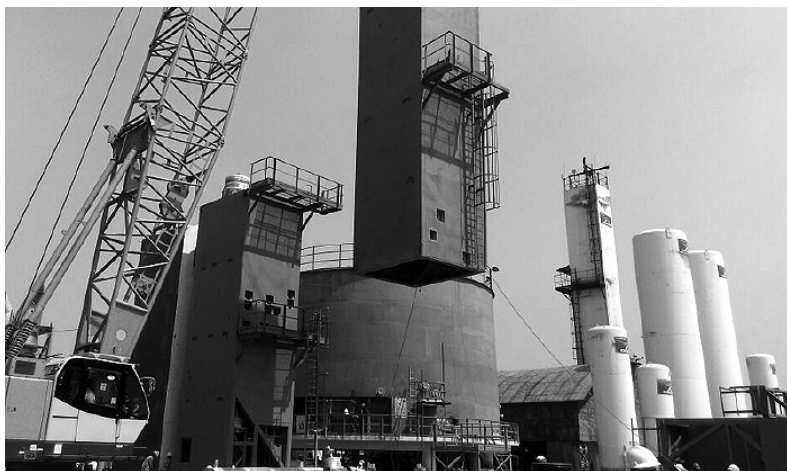
On 2 January 2019 I already had a few in my portfolio. But I wrote in a note, 'I guess it is high time to collect Linde. This may be now or never. I guess this year Linde may offer stock dividend because it has not offered interim dividend this year for the first time since 2007, I can follow and it has been long time it did not offer stock dividend too. Moreover, in October 2018 its sponsor company has been merged with American rival Praxair to form the largest firm in the line. After that it declared \$1b repurchase of its own stocks from mandatory sale proceeds of its assets around the world for ensuring the merger. Later, on 25 January 2019 it again declared another \$6b repurchase over \$1b declared earlier. This may not take place in Bangladesh. But who knows it will not happen in Bangladesh as the Bangladesh business is more profitable for the sponsor than even in India? EPS of Linde India is at present 3.2, while from Linde Bangladesh it is 60+ against face value of 10/share.'

On 4 February 2019 I wrote, 'I tried to recall the financials of Linde during 2014. Could locate an IDLC- a leading leasing company in the country which invests in capital market-report, which shows price of Linde during mid of 2014 as BDT1350 approximately. At that time EPS was approximately 40 and production capacity of gas section was 60 TPD⁵⁶ and 4 units of electrode rods. In 2019 the company has same size of operation of electrode rods (no further news of expansion has been disclosed), while capacity of gas has been raised to 160 TPD and another unit of 32 TPD is under construction,

A LONELY WALK

which will be in operation by end of 2019. Current market price of shares of Linde is BDT 1260. Other MNC's⁵⁷ price has increased a lot compared to that of 2014, while no disclosed information I could locate for other MNCs. Linde, on the other hand is showing massive investment in expansion projects and new products, etc. I guess, very shortly it's price may be around BDT 2000. Allah knows. I have done my job. Taken position in Linde. Now I have 18,500 Linde.'

On the first half of 2016 Linde Bangladesh Limited broke ground for its new 100 TPD air separation plant in a new location- Rupganj, Narayanganj- with a plan of doubling production capacity of the company.⁵⁸ The company already had production facility in Dhaka and Chittagong. Some follow up of the ongoing project is here.

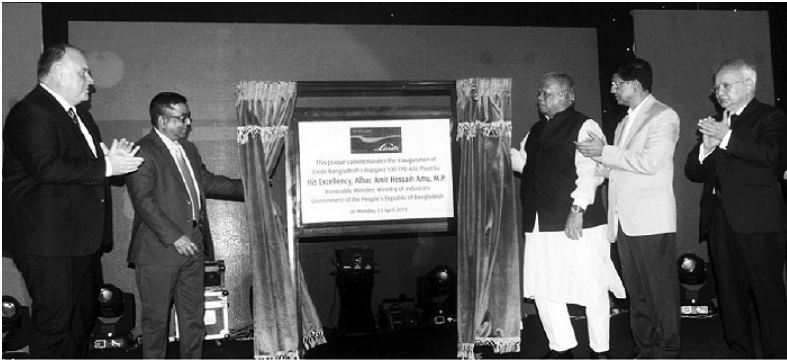


The Project When Was Under Construction (from bdd engineers.com)



The Project When it is Completed (from social media)

The following snapshot is from a news paper showing the inauguration of the new plant on 23 April 2018.



শিল্পমন্ত্রী আমির হোসেন আমু ২৩ এপ্রিল ২০১৮ সোমবার ঢাকায় রেডিসন ব্লু হোটেলে রূপগঞ্জে নির্মিত অত্যাধুনিক প্রযুক্তির মেডিকেল ও ইন্ডাস্ট্রিয়াল অক্সিজেন প্রস্তুতকারী কারখানার উদ্বোধন করেন।-পিআইডি

Therefore, the new plant is already in operation while the price of the stock has not been impacted yet. Besides, as mentioned earlier, on 18 April 2018 the company declared

A LONELY WALK

additional investment for constructing a 36 TPD Carbon-Dioxide plant at Rupganj. The following image shows follow up of the project. The following image was taken during March 2019.



36 TPD Carbon-Dioxide Plant When Under Construction (from social media)

Next image shows that the project is ready to start operation by October 2019.



36 TPD Carbon-Dioxide Plant When Ready (from social media)

Quarterly EPS of the year was showing fast improvement and I was confident about the development in the company. At the end of September 2019, the company declared its 9 month financial performance. In that year EPS stood at BDT 56.06 against 44.23 of the last year. I was expecting a better annual EPS and Dividend that year.

But despite of this better performance of the company market did not respond, On January 2020 I had to change my mind. By this time China has reported a new virus was spreading in the province Wuhan and was struggling to control the spread. The world already is sensing a pandemic because of the globalization and dependence of the world in trade and business on China. Bangladesh should be affected by a large rate because Bangladesh has strong business link with China. So, I decided to create a portfolio. I never had a plan to offload Linde Bangladesh. Even I wanted to keep a significant number of Linde Bangladesh stock in the portfolio. But considering the fact that if Bangladesh is affected by COVID 19, the business of Linde Bangladesh will be affected and Allah knows for how long. So, had to sell all gradually and also the last lot. At this stage let us check my investment and return from Linde Bangladesh limited.

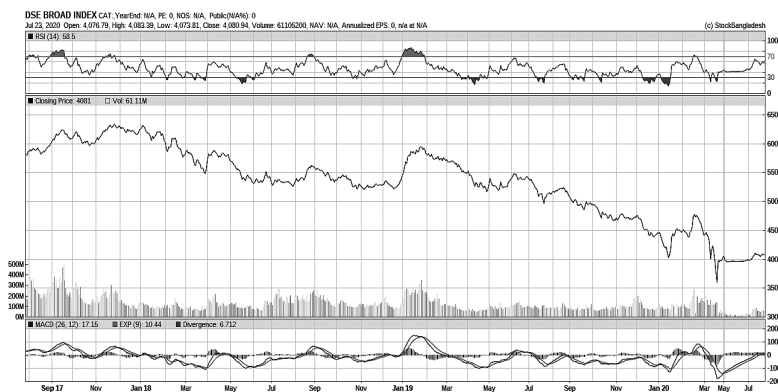
Date	Buy		Sell		Balance of Volume Held
	Volume	Rate	Volume	Rate	
13.01.2019	2000	1278.84			2000
16.01.2019	1000	1236.25			3000
17.01.2019	380	1233.71			3380
20.01.2019	500	1234.84			3880
21.01.2019	1110	1242.18			4990
22.01.2019	200	1240.00			5190

A LONELY WALK

23.01.2019	5	1238.80			5195
29.01.2019	20	1225.00			5215
30.01.2019	763	1237.15			5978
31.01.2019	700	1244.59			6678
04.02.2019	1638	1277.48			8316
05.02.2019	14	1305.14			8330
06.02.2019	334	1315.02			8664
10.02.2019	3000	1364.23			11664
11.02.2019	340	1307.82			12004
12.02.2019	35	1297.91			12039
13.02.2019	10	1290.00			12049
17.02.2019	1	1275.00			12050
03.04.2019	15	1189.80			12065
01.01.2020			1251	1278.84	10814
02.01.2020			564	1274.94	10250
05.01.2020			190	1264.10	10060
12.01.2020			1029	1233.83	9031
13.01.2020			964	1212.68	8067
14.01.2020			1266	1148.33	6801
16.01.2020			1676	1169.60	5125
09.02.2020			625	1298.43	4500
10.02.2020			500	1298.86	4000
27.02.2020			1000	1314.39	3000
01.03.2020			500	1290.01	2500
05.03.2020			500	1283.10	2000
09.03.2020			2000	1262.87	Nil
Total (BDT):	15517631		14999378		
Net loss: BDT (518,253)					

Though from naked eye it is a loss from Linde Bangladesh, but I know that this stock helped me to save my portfolio. To understand why I am still happy with my investment in

Linde Bangladesh and not feeling troubled with this loss, I must once again show the index DSEX trend during this time. Let us check the DSEX trend during this time.



DSEX During 2017-20

During January 2019 when I started collecting Linde Bangladesh, DSEX was approximately at 5800 and the index was 5500 on April 2019 when I had finished collecting the stock. If the average of the index is considered, DSEX stands at 5650. When I sold the stock during January to March of 2020, average index was at 4250. Therefore, DSEX had a fall of 24.77% while my loss in this stock has been 3.34%.

After this from a single stock of Linde Bangladesh, I formed a portfolio combining a few stocks. On 12 February 2020 the portfolio was,

Scrip	Volume	Portfolio%	Cost
Linde Bangladesh	4,000	21	1260
Apex footwear	20,000	19	222
ACI Ltd.	70,000	49	182
Singer BD	10,000	6	164
RFL	10,000	5	124

A LONELY WALK

Let us check the price of the stocks that I added in the portfolio during January to March of 2019 when I picked Linde Bangladesh Limited. Price of Apex Footwear Limited was approximately BDT 300, ACI Limited was BDT 350, Singer Bangladesh Limited BDT 230 and Rangpur Foundry Limited (RFL) BDT 150. So, I picked Apex footwear at 26% less price, ACI Limited at 48% less, Singer Bangladesh Limited at 29% Less and RFL at 17% less than the time of buy of Linde Bangladesh Limited. Therefore, you see, almost all my target stocks had experienced an erosion because of the market, while Linde Bangladesh Limited almost did not. I think, that happened because of its financial growth that it achieved during the time of market erosion. Finally, I sold all these stocks in a bit high price than I bought to convert them to ACI Limited, because I thought at that time that all except ACI Limited may be badly affected by COVID 19. I bought ACI Limited's shares at an average price of BDT 185. I finally entered in my desired stock that I did and left earlier at approximately BDT 360. Now I picked at almost half of that price. Does it not mean that stock of Linde Bangladesh Limited helped me to double my number of shares in ACI Limited? Yes, I feel so. Stock of Linde Bangladesh Limited helped me to save my portfolio during erosion of the market and helped me to double my stock in ACI Limited.

ACI LTD: Opportunity?

Paid-up capital	BDT 631.1 MM
Face value	BDT 10
Listing year	1976
Category	A
Sponsor director's holding (%)	35.28

ACI Limited, as usual, is the stock that I bought with an anticipation of its improved future. I have taken position into this stock for some definite reasons and one of the main reasons was the epidemic of COVID 19 in China and later in the other part of the world. It did not enter Bangladesh yet at the time when I bought ACI, while many countries were reporting of its spread in their country. Bangladesh for many reasons depends on Chinese products for consumption and industrial use as raw materials. Also, Chinese people were frequently visiting Bangladesh for they had business relations in Bangladesh or their clients in Bangladesh were hiring them for expert knowledge. Thousands of Chinese people were also working in Bangladesh government's mega projects like Padma Bridge, Metro rail at Dhaka, Karnaphuli river tunnel in Chittagong, etc. So, if COVID is caused by a virus for which the world still did not have a solution at that time except washing hands regularly and using hand sanitizers and masks, why not it is ACI Limited now when this company is the market leader in hand sanitizer business with *Hexisol* as its brand and *Savlon* liquid antiseptic and handwash and soap is the market leader as a hygiene product in Bangladesh? As the disease is contagious, ACI's pharma business should also perform well. Super shop business, ACI has the largest super shop *Swapno*, should be more popular. Motorcycle business with the brand Yamaha in its portfolio should do better as motorcycles as vehicle may become more popular as a means of transportation as mass transportation will be discouraged, etc. Though it is true that a few of its business may have negative impact, positive impacts may outperform negatives. Anticipating these, I gradually shifted all my investment in this stock during mid of January to June, 2020.

Dr. Gaffar Plaza (4th Floor), Main Road, Shaheb Bazar, Ghoramara, Rajshahi, Phone : 0247-812194, E-mail : istcdraj@gmail.com, Web : www.istcd.com.bd

Client Code : ████████ Name : ████████████████████ Date : 30-Jun-2020
 BO ID : ██████████ A/C Status : Active Account Type : Direct Trading Account

[illegible]

Available Balance	:	3,029.19	Cost Value of All Securities	:	15,359,345.81
Receivable Sales	:	0.00	Market Value of Securities	:	17,082,555.20
Unclear Cheque	:	0.00	Equity	:	17,085,584.39
Ledger Balance / (Loan)	:	3,029.19	Marginaline Equity	:	3,029.19
Deposit/Withdraw Status			Non Marginaline Equity	:	17,082,555.20
Deposit Amount Tk.	:	4,595,000.00	Sanction Amount	:	0.00
Share Transfer In Tk.	:	111,443.75	Loan Ratio	:	0.00
Total Deposit	:	4,706,443.75	Debt to Equity Ratio	:	0.00
Total Withdraw	:	2,860,600.00	Purchase Power	:	2,029.19
Share Transfer Out Tk.	:	0.00	Withdraw Limit	:	3,029.19
Total Withdraw	:	2,860,600.00	Excess Over Limit	:	0.00

Net Deposit/(Withdraw)	:	1,845,843.75	Allocated Dividend	:	0.00
Realized Charge Status	:		IPO Investment	:	0.00
Realized Interest	:	0.00	Right Investment	:	0.00
Other Realized Charge	:	131,954.59	Capital Gain	:	
Total Realized Charge	:	131,954.59	Realized Gain/(Loss)	:	30,726,233.77
Interest Accrual	:	0.00	Unrealized Gain/(Loss)	:	1,724,209.99
CDBL Charge Receivable (Approximately)	:	0.00	Net Gain/(Loss)	:	32,450,443.16
Fund withdrawal Request	:	0.00			

On 30 June 2020 in the portfolio, it was ACI Limited 100%. Equity value of the portfolio rises by this time. Market price of the stock is higher than average rate of purchase. Please notice, on that date equity value of the portfolio is 9.26 times higher than the net deposit in the portfolio and it is a 13-year-old portfolio.

112

price had already taken it to a safe zone from where any lower price was less likely for a reputed company like ACI Limited. But there are some real investments and projects physically in existence. Financials are also already showing severe pain and have created impact on the price and made the doubt over the stock profound in the mind of the shareholders. It is time. Any opposite news, i.e., any good news of ACI Limited in the market, and I thought, there are many waiting in case of ACI Limited, will create huge positive impact on the price of this stock. Paid up capital is also low. The market may not be able to take the load. It will be a tenbagger I hope. COVID has made the possibility stronger and quicker.

Peter Lynch says, "I'd rather invest in a company that makes drugs, soft drinks, razor blades, or cigarettes than in a company that makes toys." ACI Limited is originally in pharma business. But taking risk in other business like motorcycle, Agri machineries, etc. That may make this company risky.

But those who have already carefully investigated my previous investment cases where in most of the cases my investments with a prospect analysis went wrong when thing became long run, I am going to tell you, my elder son also does not believe that even in this situation I shall be able to succeed. Either the situation will change before the company makes money out of it, or the company will show other things on its financial statements or something will happen and even in this time what I anticipated, is not going to happen. I guess, you will be on my son's side. You should not believe me because you know, I am swimming against the stream with very little lifesaving gears on. I also don't swim well. If you believe me or not, my son also does not have faith on my moves, while I shall keep going. I shall move on with my

instincts. If you find me successful, analyze my instinct. If I fail, analyze my instinct. Probably you may find some lessons of some investment behavior to learn from here. If already these are known strategy or known investment behavior, consider my case as something that re-confirms a theory.

Anticipations about ACI Limited

On 16 February 2020 I wrote in my note book that, 'Last night I could not sleep. I was searching news in online newspapers about ACI Limited and pharmaceutical Industry of Bangladesh. Probably I have already taken the highest risk in my career by investing in ACI Limited. Probably I may have to suffer huge loss or it will generate a big leap forward for me. There are two contrasting set of news about ACI limited. Some news on its gradually downward financial performance and newspapers are blaming the management of ACI Limited of wrong investment in subsidiaries and some are indicating false financial statements and embezzlements, etc. while, there were proof on media about continuous healthy investment of the company in different projects.' At that time ACI Limited had invested in 14 subsidiaries and 3 joint venture businesses. Percentages of shareholding in those ventures are as follows:

Company	Percentage
Subsidiary	
ACI Formulations Ltd. (enlisted in DSE)	53.5
ACI Salt ltd.	77.67
ACI Foods Ltd.	95
ACI Pure Flour Ltd.	95
ACI Agrolink Ltd.	90

ACI Motors Ltd.	67.50
Creative Communications Ltd.	60
Premiaflex Plastics Ltd.	87.32
ACI Logistics Ltd.	76
ACI Edible Oils Ltd.	85
ACI Healthcare Ltd.	92.94
ACI Chemicals Ltd.	75
ACI Biotech Ltd.	80
ACI Infolytx Bangladesh Ltd.	60
Joint Ventures	
ACI Godrej Agrovet	50
ACI Tetley Tea	50
ACI Dabur	??

Media and the market were blaming against ACI Limited's investment in ACI Healthcare Limited, a plant dedicated for exporting drugs in regulated market like United States and Europe, and ACI Logistics limited, a super shop brand named *Swapno* with more than 60% market share in the country. Problem of these projects mainly came from the financing strategy of the company. ACI did not increase equity capital, instead borrowed from financial institutions for these projects. Problem was in the cost burden created from this financing strategy for the projects. ACI Logistics was big and was growing bigger, while was incurring loss for it was not big enough to reach to economies of scale. ACI was still investing though the market was against this strategy. ACI Healthcare Limited, another subsidiary, was completed in 2019 and was not producing for the company yet. It was generating costs only. Dhaka stock exchange suddenly stood against ACI Limited against this kind of aggressive investment of the company in its subsidiaries.⁵⁹ On February 2019 it formed an inquiry committee to investigate any kind of wrong doings

in it from the part of the company. That triggered a further downward trend in the price of stock of this company, while the trend was started because of disclosed worse financial performances since 2017.

Investment Corporation of Bangladesh (ICB), the government owned organization for investing in capital market, had about 10% ownership in the company and there was one representative from ICB in the board of directors of ACI Limited. Things become more serious when ICB declared on August, 2019 that it will withdraw its representation in the board of ACI Limited.⁶⁰ This move of the corporation helped dipping the stock price of ACI Limited further.

It is really a matter of fact to take it seriously to check if ACI Limited was truly investing in these projects during this time period or not. From searching in internet resources, what I found was just opposite to the scenario in the market. From internet resources I located ongoing heavy investments in these and other projects of ACI Limited. I saved images of those ongoing projects. Here they are.



ACI Healthcare Ltd. Facility



ACI Agrolink Ltd. Facility



Yamaha Facility of ACI Motors Ltd.



Inauguration of Yamaha of ACI Motors Ltd. Facility on March 11, 2019



ACI Salt Ltd.'s Under Construction Clarifier and Brine Facility



ACI Biotech Ltd.'s Main Building



ACI Ltd.'s Under Construction Facility Building at Godnail Pharmaceutical Unit. Google Map Shows it is Complete Now.

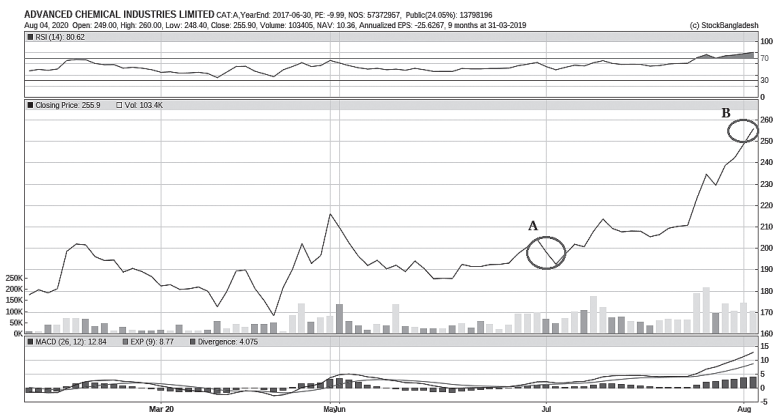
I decided to ignore what was in news media. I also decided to take what I see and invest all my money in ACI Limited. In the month of April (Date is not mentioned) 2020 I wrote in my diary, 'Due to Corona Virus pandemic our govt. has declared a vacation since 26th of March till 4th of April of the year and then extended till 11th of April. Around the world lock down, closed down, shut down, vacation, curfew, etc. is going on. From 25th of March all business offices, markets and supermarkets are closed and will remain closed till 11th of April in Bangladesh. To be mentioned, Super shop Swapno a subsidiary of ACI Limited will remain open and now they are doing good business by online sales when

people are staying at home for self-protection from virus and also visiting super shops where health and hygiene is maintained. The virus was started in China during December last year and because of the situation in China, Bangladeshi firms were suffering from shortage of raw materials supply. Now the pandemic has been centered in Italy, Spain, UK and USA. In China approximately 3,500 died till date while in Italy it has crossed almost 12,500, in Spain 9,000, in UK 2,000, France 3,500 and in USA 4,000, Iran 3,000. India and Bangladesh still has been less affected with approximately 30 and 5 death officially recorded so far. As our export is dependent on Garments, leather and medicine, and mostly in Europe and USA, I have now a fear of economic down turn or even worse situation in next 6 months that may continue for 2 or 3 years. My investment is in ACI Limited and its products like soap, handwash, hand sanitizer, disinfectant, germicides under brand like Savlon, Hexisol, Clean gel, etc. are among most sought goods in the last few weeks and this trend may even increase in coming days. Most of its products under the mentioned category are remaining out of stock in online shops and super shops or grocery shops or drug shops in most of the times as people are taking as many as possible when they restock. WHO⁶¹ and all medical advisers are promoting use of these, specially hand wash and mask frequently as hand wash, hand sanitizers and disinfectants kills virus.

I guess ACI will be in the list of least affected companies due to Corona pandemic. There is chance that ACI may perform even better in this condition. But other companies are under uncertain condition at present. The market may show its sign. I am a bit in doubt though. I may observe and if I see a bit improvement in the price level of ACI, I may sell a few for cash.'

Note on 3 August 2020

The chart at the end of July 2020 shows, while the price of the stock was below BDT 200, indicated as 'A', at the beginning of July, that had hike to BDT 250 plus, indicated as 'B', at the end of the month. It has been 35% gain already. The market is still silent about this stock. Groups on social media and stock market related newspapers are not suggesting this stock yet. This is a good sign. Though if I realize the gain, it is handsome, while I still believe that this gain is just an adjustment of better business of the company due to COVID 19, the company has more to deliver. With this gain, if sustains, I shall be happy to stick with this company for a moderately longer time for taking impact of starting operation of ACI Healthcare Limited, a subsidiary of ACI Limited and by this time the ACI Logistics Limited, a chain shop and subsidiary of the company which now reaches to operating profit. Expecting net profit soon. If these two happens, ACI Limited will become an attractive investment alternative for local and foreign investors. That should impact price of the stock of the company for making me happier. I should wait!



ACI Limited During March-July, 2020



ICB SECURITIES TRADING COMPANY LIMITED
(A Subsidiary of ICB)
Rajshahi Branch
Dr. Gaffar Plaza (4th Floor), Main Road, Shaheb Bazar, Ghormara, Rajshahi, Phone :
0247-812194, E-mail : istcraj@gmail.com, Web : www.istcd.com.bd

TODAY'S PORTFOLIO STATEMENT

Client Code: ████████ Name: ████████ ████████ ████████ Date: 04-Aug-2020
BO ID: ████████ A/C Status: Active A/C Type: Direct Trading Account

Company Name	Total Qty.	Saleable Qty.	Avg. Rate	Cost Value (TK.)	Closing Price (TK.)	Market Value (TK.)	Realize Gain/(Loss)	Unrealize Gain/(Loss)	% of Invest
Non Marginable Securities									
ACI	83,656	83,656	183.59	15,358,345.81	249.00	20,830,344.00	73,962.63	5,471,998.19	100.00
				15,358,345.81		20,830,344.00	73,962.63	5,471,998.19	100.00
Total:				15,358,345.81		20,830,344.00	73,962.63	5,471,998.19	100.00

Account Status Till Today

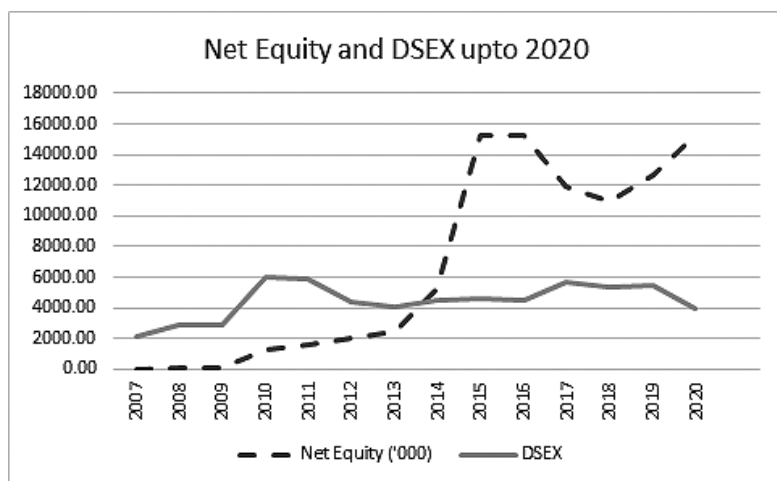
Available Balance	:	3,029.19
Receivable Sales	:	0.00
Unclear Cheque	:	0.00
Ledger Balance / (Loan)	:	3,029.19
Deposit Withdraw Status		
Deposit Amount Tk.	:	4,595,000.00
Share Transfer In Tk.	:	111,443.75
Total Deposit	:	4,706,443.75
Withdraw Amount Tk.	:	2,860,600.00
Share Transfer Out Tk.	:	0.00
Total Withdraw	:	2,860,600.00
Net Deposit / (Withdraw)	:	1,845,843.75
Realized Charge Status		
Realized Interest	:	0.00
Other Realized Charge	:	131,954.59
Total Realized Charge	:	131,954.59
Interest Accrual	:	0.00
CDBL Charge Receivable (Approximately)	:	0.00
Fund withdraw Request	:	0.00

Cost Value of All Securities	:	15,358,345.81
Market Value of All Securities	:	20,830,344.00
Equity	:	20,833,373.19
Marginable Equity	:	0.00
Non Marginable Equity	:	20,830,344.00
Sanction Amount	:	0.00
Loan Ratio	:	0.00
Debt to Equity Ratio	:	0.00
Purchase Power	:	2,029.19
Withdraw Limit	:	3,029.19
Excess Over Limit	:	0.00
Allocated Dividend	:	0.00
IPO Investment	:	0.00
Right Investment	:	0.00
Capital Gain		
Realized Gain/(Loss)	:	30,726,233.77
Unrealized Gain/(Loss)	:	5,471,998.19
Net Gain/(Loss)	:	36,198,231.96

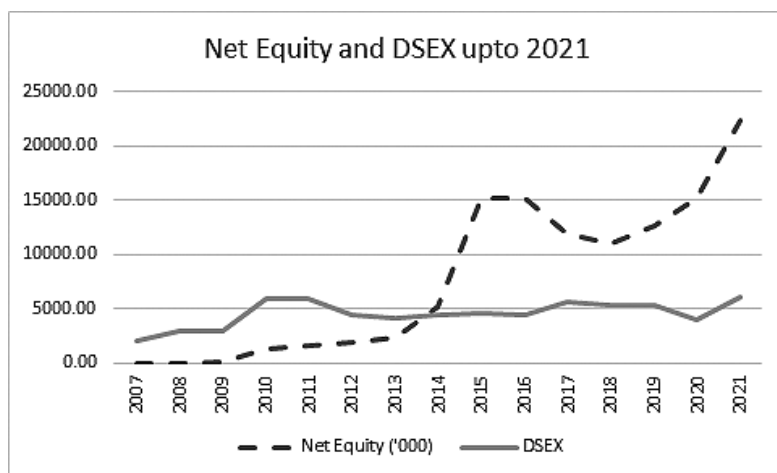
Portfolio as at 3 August 2020

Let us Check the Progress

At the beginning of this book, I presented a chart showing the reason of the book that I have written with commentary on data of my portfolio. It was this,



It is time to check a progress in 2021.



On 16 August 2020 the company (ACI Limited) disclosed a news on DSE website that, 'the Board of Directors has approved a foreign investment of Tk. 1,260,000,360.00 (One Billion Two Hundred Sixty Million Three Hundred and sixty only) for 2,333,334 Convertible Non-cumulative Preference

A LONELY WALK

Shares of Tk. 100.00 each at a premium of Tk. 440.00 in the share capital of ACI Motors Limited, one of its subsidiaries and approved the draft shareholders' agreement and share subscription agreement for execution. The said shares will be issued to Bangladesh Managed Account C.V, a limited partnership of FMO (NederlandseFinancierings-MaatschappijVoorOntwikkelingslanden N.V.), a limited company incorporated under the laws of the Netherlands and SDI Pte. Limited, a company established under the laws of Singapore. The proceeds will be used for business growth and expansion of existing manufacturing facilities of ACI Motors. This arrangement will reduce the Company's shareholding in ACI Motors Limited from 65.00% to 52.70%.'

Therefore, it is now clear that the company that declared in the last annual report that the company is now looking for alternative sources for equity financing for reducing interest expense, has started showing as real efforts from the management's end. This will reduce the interest-bearing cost burden of the company and at the same time the shareholders long waiting demand of finding equity financing alternatives has begun. The biggest impact will be created if the company does the same for its chain shop *Swapno* or ACI Logistics Limited. Because the shareholders have deepest frustration on that investment. They are long demanding discontinuing expansion in ACI Logistics Limited or finding equity financing. Let's wait for time. Today on December 6, 2021 in a downtrend market ACI Limited closed at BDT 300. Historic EPS and dividend record of ACI Limited follows.

Year	Cash Dividend %	Stock Dividend %	EPS
2011	80	20	-
2012	80	20	(6.98)
2013	85	20	7.13
2014	100	15	16.68
2015	115	10	77.33
2016	-	-	19.66
2017	125	10	24.31
2018	115	3.5	10.73
2019	100	15	(13.51)
2020	80	10	(18.45)
2021	65	15	5.5

FIVE

Last Words

Price falls! Opportunity?

No, not always. Not all price falls indicate opportunity for investors. Price falls for many reasons. Some of the price falls are due to temporary pain in the company. Some of the pains are so injurious that the company often succumbs to the injury. As investor we must properly investigate cause(s) of price fall. If it is temporary and if the company has better prospects, investors should keep the stock in watch list. If the cause(s) is not recoverable and gives sense of serious threat, it is better to avoid that stock. If the investor wants no gambling, avoid that stock. It is a reality that companies will not disclose everything in the market though they should disclose all kind of price sensitive information that may change the future financials of the company. I have observed that there are companies that rarely disclose anything if the company is really doing something for the future and for that results into sufferings from growing pain even if those activities create real prospects for the company. Probably companies do not like to disclose everything because of competition. Information made public to the shareholders will reach to competitors too. So, they remain silent of those facts if its disclosure has not been made mandatory by law.

On the other hand, social media and many online news portals remain vibrant at some promises and prospects of some very weak companies waiting for its departure from existence. That happens for many reasons. The most likely reason, according to my belief, is that a group or groups have entered in this stock and now wants a price hike for taking

profit and exit. It is a kind of marketing. So far social media allows fake ID and it is easy for those investors to create fake ID and misguide investors roaming in stock market related investment groups. At least I have seen many such groups in Facebook. Also, as mentioned, there are many online newspapers. Many of them lack accountability. At least much less than first line newspapers who have print editions alongside their online editions. Those gamblers who want price manipulations prefer only online newspapers with lack of accountability for spreading positive news about financially and technically suffering companies. In the last few years, I have seen many positive promises about some such companies impacting price of stocks for which I did not find any real outcome. This is a big real problem in governance in this area to work on.

I want to go back to my original statement. Not all price falls indicate opportunity for investors, and want to add that not all news to believe for investment. Instead, don't believe good news at first sight, but keep in watch list and investigate. If you are convinced by stronger evidences, start believing and think rationally. Wait and observe. On real turnaround try to find the appropriate time to take position or invest. Probably you will find a lot of causes to get panicked by the news in social media and those online newspapers when you are planning to invest in a really promising turnaround company.

In the following section, I am going to produce some examples to convince that all price falls are not opportunity for investors. Instead, there are reasons to cautiously handle price falls.

UNITEDAIR

Paid-up capital	BDT 8,280.98 MM
Face value	BDT 10
Listing year	2010
Category	Z
Sponsor director's holding (%)	2.5

United Air Limited once had a number of aero planes and fleet in domestic and international routes. Due to failure in maintaining international standard, it had to discontinue routes one after another and by 2017 it had no operation. On January 2020, News portals started spreading a news saying that United airways is taking preparation to fly again while one of the high officials is mediating to help this company to fly with help of the government.⁶² Similar news was published in 9 February 2017 saying United airways is taking huge preparation to fly again.⁶³ While, on 11 March 2019 first line newspaper Jugantor reported that the company is on the edge of bankruptcy.⁶⁴ While, Newage reported on 29 March 2017⁶⁵ that management of the company submitted a loan proposal for BDT 3,000 million from a state owned commercial bank.

Now let us check some of its fundamentals. On 4 August 2020 DSE website shows that Sponsor/Director holds only 4.16% of its shares, while public holds 73.71%. The company did not declare its financial data since 2016, and did not offer any dividend for the shareholders. They did not arrange any annual general meeting since then.

During January to April, 2017 price of this share moved from BDT 4.5 to 8; then started a downward trend that continued till date and on 3 August 2020 stocks of this company was trading at BDT 1.4, while BDT 4.5 on 2017 seemed like

an opportunity. Do you think this price (BDT 1.4) as an opportunity though the company is at risk of bankruptcy? I don't. Dividend and EPS record follows. Check and decide.

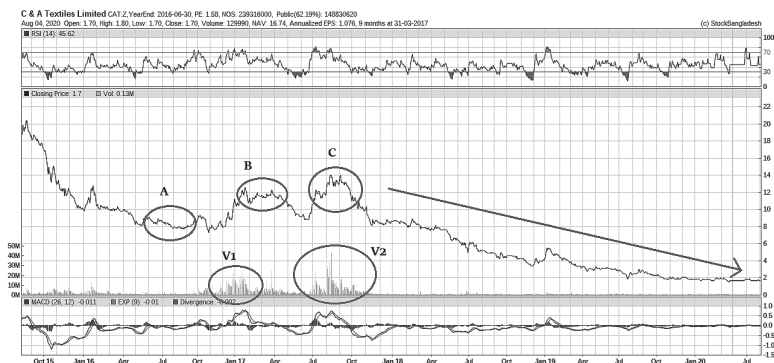
Year	Cash Dividend %	Stock Dividend %	EPS
2010	Nil	5	-
2011	Nil	10	-
2012	Nil	15	1.84
2013	Nil	12	1.1
2014	Nil	10	1.02
2015	Nil	10	0.31
2016	Nil	Nil	(1.66)
2017	Nil	Nil	(1.68)

CNATEX

Paid-up capital	BDT 2,393.16 MM
Face value	BDT 10
Listing year	2015
Category	Z
Sponsor director's holding (%)	22.1

Listing code as CNATEX while originally named as C&A Textiles Limited. On debut on 21 January 2015, it started its trade at BDT 22 against face value of BDT 10. The company floated 4.5 crore ordinary shares of Tk 10 each and raised Tk 45 crore through initial public offering for machinery purchase, building construction and repayment of bank loans.⁶⁶ On March 2019 investors holding shares of C&A Textile found themselves in a difficult condition as the firms have not made any corporate disclosure in the previous 18 months and their factories were found shut.⁶⁷

A LONELY WALK



Price/Volume Chart of C&A Textiles Limited

For the year 2014, 15 and 16 the company paid 10-12% stock dividend and no cash. On 4 August 2020 price was BDT 1.70. Is this price an opportunity? Nah! I don't think so! DSE website does not update their data since July of 2017 due to non availability probably. Still, it shows that Sponsor/directors' share holding percentage was 30.29% on 30 June 2016 that came down to 22.14% on 31 July 2017. Please compare the chart of C&A Textile and you may notice that during January to May 2017 there was a price hike with volume. Price went up to BDT 12, indicated by circle 'B', from BDT 8 indicated by circle 'A' and volume indicated by circle 'V1' was abnormally high during the range of 'B'. And in July 2017 DSE record shows lower percentage of holding of shares by the Sponsor/directors. Did they offload their stocks in this range? Who knows what happened in the volume range 'V2' and high price range 'C' as there is no disclosure afterward and a long downward trend in price followed. Therefore, this company at least does not have accountability to the general shareholders. This price fall is not still an opportunity until that is confirmed by any further disclosure of any real information that may indicate change in the situation. Dividend and EPS record follows.

Year	Cash Dividend %	Stock Dividend %	EPS
2014	Nil	11	N/A
2015	Nil	12	N/A
2016	Nil	10	N/A

RNSPINN

Paid-up capital	BDT 3925.45 MM
Face value	BDT 10
Listing year	2010
Category	Z
Sponsor director's holding (%)	30

In January, 2012 the SEC approved RN Spinning Mills Limited's rights offer to issue 13.91 crore ordinary shares of BDT 20 each totaling BDT 278.28 crore. The company eventually managed to sell BDT 180 crore worth of rights shares through the issue in March. It kept delaying crediting of those shares to the retail investors beneficiary owners' accounts, ultimately failing to do so by the deadline. The textile company had offered one rights share for each existing share and took Tk 10 as a premium for each share in addition to Tk 10 face value.⁶⁸

'On January 11, 2012 the BSEC approved the rights offer of RN Spinning Mills to issue one rights share against the existing one share of the company, allowing the entity to raise Tk 278.28 crore by issuing 13,91,41,230 ordinary shares at an issue price of Tk 20 per share including Tk 10 premium on each. In June, 2012 a BSEC investigation, however, found major breaches of procedure of the rights offer subscription of RN Spinning Mills.'⁶⁹

On 9 April 2019 fire gutted the factory of the company. According to a news published on 25 November 2019, it

A LONELY WALK

was reported that all production of the company remained suspended after the fire gutted its factory.⁷⁰ The reporter saw no hope of recovery in short time. In the meanwhile, on 6 June 2020 the company declared that “the board of directors of RN Spinning Mills has decided to reduce its paid-up share capital by issuing 1 share against existing 7 shares (7:1) of Tk 10 each to the existing shareholders.”⁷¹

The company will now have 392,544,834 shares that would be reduced through a proposed reverse stock split at 7:1 ratio to 56,077,833 numbers of shares. Officials said the company will reduce its paid-up capital to lessen its accumulated loss and enhance its capacity so that it could recommend dividends.



Price/Volume Chart of RN Spinning Mills Limited

On 2012 the company issued right share at the rate of BDT 20. On January 2014 price of the stock was above BDT 35. On January 2017 price was above BDT 30. After issuance of the stock, price of the company gradually declined. On January 2019 Price dipped by three times of 2017 to BDT 10. On April 2019 fire gutted the factory. Now on 2020 price is BDT 3.7.

From previous record it is found that three directors of the company sold 4,100,000, 4,100,000 and 5,000,000 shares respectively during May/June 2012. That indicates lack of faith and some negatives of the management about the company's future. It happened next to their share offload in the market. Here too, according to my belief, price fall of the stock is not an opportunity, instead a risk. Dividend and EPS record of the company follows.

Year	Cash Dividend %	Stock Dividend %
2009	Nil	10
2010	Nil	30
2011	Nil	35
2017	Nil	20

TALLUSPINN

Paid-up capital	BDT 893.35 MM
Face value	BDT 10
Listing year	1990
Category	Z
Sponsor director's holding (%)	30

In 2012 Tallu Spinning Mills Limited issued 2 right shares for existing 1. During 2013-4 its stock price was above BDT 35. Now in August 2020 its stock price is BDT 4.5. From 2016 till date the company is continuously showing loss at consistent rate and there is no sign of improvement yet. There is no reason that the company had declared so far that may result into financial improvement. So far, its price fall is not an opportunity for me to invest.

A LONELY WALK



Price/Volume Chart of Tallu Spinning Mills Limited

Dividend and EPS record follows.

Year	Cash Dividend %	Stock Dividend %
2010	Nil	10
2011	Nil	15
2012	Nil	10
2013	Nil	15
2014	Nil	Nil
2015	Nil	10

MITHUNKNIT

Paid-up capital	BDT 324.91 MM
Face value	BDT 10
Listing year	1994
Category	Z
Sponsor director's holding (%)	17.2

Mithun Knitting and Dyeing Limited is a concern of earlier mentioned Tallu family, which started operation in 1990s in the knitting segment of the garments industry. It is located in Chittagong Export Processing Zone (CEPZ). Until 2016-17 its share price traded between BDT 27 to 77, while dropped to BDT 5.8 in 2020. One may have thought at that time that the

price fall was an investment opportunity. In real term it was not. Because during 2016-17, directors sold a large portion of their stocks.⁷² Despite of mentioned scenario, during May 2021 to September 2021 price of the stock shoot up to BDT 24 from a range of BDT 8 against no disclosed official news. Instead on 12 September 2021 in response to a DSE query the company replies, “the company has informed that there is no undisclosed price sensitive information of the company for recent unusual price hike and increase in volume of shares.” On the other hand a news published on 1 November 2021 in a daily newspaper, The Business Standard, that reports, “Chattogram Export Processing Zone (CEPZ) has auctioned the factory assets of Mithun Knitting and Dyeing Limited That pulled down its shutter two years ago in the face of mounting liabilities.”⁷³ The report also says, “The auction took place two months ago...” Here to note ‘two months ago’ falls in August-September when price of the stock picked. What are you thinking? Corporate governance? So, price fall of Mithun Kintting was actually a death trap for the general investors.



A low price is an opportunity only when I have faith on the management. If the management is not to rely, their news are not reliable and price may fall not for possible growing pain but also for a fake and artificially furnished scenario of growth potential. It may happen for a false situation. It may happen for a disease in the company. Growing pain and disease is not same. I shall not invest in a diseased company. Instead, I shall look for a company having real growing pain.

Some fables

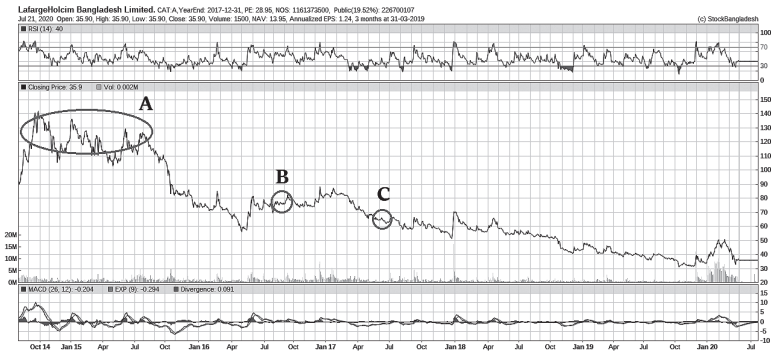
“Don’t count your chick(en)s until they hatch”

“A good woman that was carrying a pot of milk to market and reckoning up her account as follows: she would sell it for half a sou and with that would buy a dozen eggs which she would set to hatch and have from them a dozen chicks; when they were grown she would have them castrated and then they would fetch five sous each, so that’d be at least a crown with which she would buy two piglets, a male and a female, and farrow a dozen more from them once they were grown, and they’d sell for twenty sous a piece after raising, making twelve francs with which she’d buy a mare that would have a fine foal...’ She will become rich will buy a gorgeous gown for her, wear the dress and she will look very pretty, may then go to the ball where all the young handsome men will look at her, they will all try to impress her. If anyone comes forward with a marriage proposal, she will toss her head and say ‘No!’. As she uttered the word ‘No!’ in her mind, she tossed her head and that made the pot fall and all the milk spill and down tumbled with it her imaginary eggs, her chickens, her capons, her mare and foal, the whole lot. This story has led to the proverb **“Don’t count your chick(en)s until they hatch.”**

Recall back to capital market. I invested in almost full of my portfolio with single stock at least twice in my career. On the first occasion the investment in Lafarge became a sudden panic for me from prospect. On the very moment when the company started showing positive trend in its financials from negatives in early years, a law suit in India forced it to shut down operation in Bangladesh. It is not unlikely that immediate before this shut down I did start counting my profit. Maybe it was originally a three bagger opportunity for

me. But ended up in a panic sell. I was very upto date on news and hence could avoid huge loss in that occasion. I just had a narrow escape.

On the second occasion when I picked stocks of Lafarge Surma Cement Limited again on the news of probable merger in Bangladesh with Holcim Cement Bangladesh Limited, if you carefully check the chart again, you may blame me for a poor skill in capital market.



Lafarge Surma Cement Limited 2014-20

From my buy at 'B' before reaching to 'C' price went above my average cost per share. My brokerage house hailed me for the pick. I counted profit before hatching again. But I had to sell this stock in loss once again. I learn in this capital market and advise as the fable does, **“Don’t count your chick(en)s until they hatch.”**

“A small gain is worth more than a large promise”

Once a poor Fisherman, who lived on the fish, he caught a small fish. little Fish said, “Please spare me, Mr. Fisherman! I am so small it is not worthwhile to carry me home. When I

am bigger, I shall make you a much better meal.” Or you can sell me in the market for a good price. “Nay, nay, my little Fish,” the fisherman said, “It is true you’re a small fish but I have you now. I may not catch you hereafter. It is better to have something at present than nothing. So, I must keep you.” And the Fisherman quickly put the fish into his basket. The moral of the story is, **“A small gain is worth more than a large promise.”**

What about ACI Limited? According to this fable I should have taken profit from ACI Limited when its stock price closed at BDT 249 on 4 August 2020⁷⁴ **not being tantalized by its large promises.** On that trade day I have already 35% gain on cost of my current stock when equity value of the account crosses BDT 20 million on that day, while net investment was approximately 1.8 million. Equity exceeds more than 10 times of net investment. Still, I continue with the stock. Prospect analysis of this company suggests me to hold longer for a better return. Let us wait and see what I bag from my anticipation and forecasting from this particular stock.



ICB SECURITIES TRADING COMPANY LIMITED
(A Subsidiary of ICB)
Rajshahi Branch
Dr. Gaffar Plaza (4th Floor), Main Road, Shaheeb Bazar, Ghoramara, Rajshahi, Phone :
0247-612194, E-mail : istdtraj@gmail.com, Web : www.istd.com.bd

TODAY'S PORTFOLIO STATEMENT

Client Code: [REDACTED]	Name: [REDACTED]	Date: 04-Aug-2020
BO ID: [REDACTED]	A/C Status: Active	A/C Type: Direct Trading Account

Company Name	Total Qty.	Saleable Qty.	Avg. Rate	Cost Value (TK.)	Closing Price (TK.)	Market Value (TK.)	Realize Gain/(Loss)	Unrealize Gain/(Loss)	% of Invest
Non Marginable Securities									
ACI	83,656	83,656	183.59	15,358,345.81	249.00	20,830,344.00	73,962.63	5,471,998.19	100.00
				15,358,345.81		20,830,344.00	73,962.63	5,471,998.19	100.00
Total:				15,358,345.81		20,830,344.00	73,962.63	5,471,998.19	100.00

Account Status Till Today

Available Balance	:	3,029.19
Receivable Sales	:	0.00
Unclear Cheque	:	0.00
Ledger Balance / (Loan)	:	3,029.19
Deposit Withdraw Status		
Deposit Amount Tk.	:	4,595,000.00
Share Transfer In Tk.	:	111,443.75
Total Deposit	:	4,706,443.75
Withdraw Amount Tk.	:	2,860,600.00
Share Transfer Out Tk.	:	0.00
Total Withdraw	:	2,860,600.00
Net Deposit / (Withdraw)	:	1,845,843.75
Realized Charge Status		
Realized Interest	:	0.00
Other Realized Charge	:	131,954.59
Total Realized Charge	:	131,954.59
Interest Accrual	:	0.00
CDBL Charge Receivable	:	0.00
(Approximately)		
Fund withdraw Request	:	0.00

Cost Value of All Securities	:	15,358,345.81
Market Value of All Securities	:	20,830,344.00
Equity	:	20,833,373.19
Marginable Equity	:	0.00
Non Marginable Equity	:	20,830,344.00
Sanction Amount	:	0.00
Loan Ratio	:	0.00
Debt to Equity Ratio	:	0.00
Purchase Power	:	2,029.19
Withdraw Limit	:	3,029.19
Excess Over Limit	:	0.00
Allocated Dividend	:	0.00
IPO Investment	:	0.00
Right Investment	:	0.00
Capital Gain		
Realized Gain/(Loss)	:	30,726,233.77
Unrealized Gain/(Loss)	:	5,471,998.19
Net Gain/(Loss)	:	36,198,231.96

Portfolio as at 4 August 2020

The portfolio of 30 June, 2021 is as follows. Please compare the portfolio as at 4 August 2020 with that of as at 30 June 2021.

A LONELY WALK



ICB SECURITIES TRADING COMPANY LIMITED
(A Subsidiary of ICB)
Rajshahi Branch
Dr. Gaffar Plaza (4th Floor), Main Road, Shaheb Bazar, Ghoramara, Rajshahi, Phone :
0247-812194, E-mail : istcraj@gmail.com, Web : www.istcd.com.bd

PORTFOLIO STATEMENT DATED ON June 30, 2021

Client Code : ████████ Name : ████████ Date : 30-Jun-2021
BO ID : ██████ A/C Status : Active Account Type : Direct Trading Account

Company Name	Total Qty.	Saleable Qty.	Avg. Rate	Cost Amount (TK.)	Closing Price(TK.)	Market Value(TK.)	Realize Gain/(Loss)	Unrealize Gain/(Loss)	% of Invest
Marginal Securities									
ACI	92,081	92,081	166.95	15,372,958.68	263.70	24,281,759.70	73,962.63	8,908,801.02	100.00
				15,372,958.68		24,281,759.70	73,962.63	8,908,801.02	100.00
Total :				15,372,958.68		24,281,759.70	73,962.63	8,908,801.02	100.00

Account Status

Available Balance :	4,522.56	Cost Value of All Securities :	15,372,958.68
Receivable Sales :	0.00	Market Value of Securities :	24,281,759.70
Unclear Cheque :	0.00	Equity :	24,286,282.26
Ledger Balance / (Loan) :	4,522.56	Marginal Equity :	24,286,282.26
Deposit/Withdraw Status		Non Marginal Equity :	0.00
Deposit Amount Tk. :	4,611,600.00	Sanction Amount :	0.00
Share Transfer In Tk. :	111,443.75	Loan Ratio :	0.00
Total Deposit :	4,723,043.75	Debt to Equity Ratio :	0.00
Total Withdraw :	2,860,600.00	Purchase Power :	3,522.56
Share Transfer Out Tk. :	0.00	Withdraw Limit :	4,522.56
Total Withdraw :	2,860,600.00	Excess Over Limit :	0.00
Net Deposit/(Withdraw) :	1,862,443.75	Allocated Dividend :	0.00
Realized Charge Status		IPO Investment :	0.00
Realized Interest :	0.00	Right Investment :	0.00
CDBL Charge & Others :	132,448.25	Capital Gain	
Total Realized Charge :	132,448.25	Realized Gain/(Loss) :	30,726,233.77
Interest Accrual :	0.00	Unrealized Gain/(Loss) :	8,908,801.02
CDBL Charge Receivable (Maximum) :	0.00	Net Gain/(Loss) :	39,635,034.79
Fund withdraw Request :	0.00		

Portfolio as at 30 June 2021

“Pride over a success should not throw us off our guard”

“One afternoon, a Lion had just finished his meal and decided to take his afternoon nap. The Lion had just closed his eyes, when an over-confident Gnat saw him. He was extremely daring and he attacked the Lion. The Lion was very angry and woke up with a start. But the Gnat did not stop. He kept stinging the Lion’s nose, eyes and ears. The Lion roared in pain. At last, worn out with rage and covered with wounds

that his own teeth and claws had made, the Lion gave up the fight. The poor Lion was exhausted and bleeding on the ground. The Gnat, extremely pleased on his victory over the King of the Forest, hovered over the spot, praising himself and feeling joyful. The Gnat buzzed away to tell the whole world about his victory, but instead by mistake he flew straight into a spider's web. No matter how much he tried, the Gnat could not escape. Thus, the Gnat who had defeated the mighty Lion became the prey of the insignificant Spider. Moral of the story is **Pride over a success should not throw us off our guard."**

I tripled my equity value from the stock of Summit Alliance Port Limited. Afterward I suffered a long bad patch. In this time value of my equity was reduced by approximately 19%. I could not come back to my profit trend even after repeated continuous efforts. Who knows me better than myself! I was never proud over my previous success. I am not proud even today. I did not throw me off my guard. Probably that's why I could come back a bit again. I educate myself in every moment with the moral of this story.

Blind men and the elephant

It is important to get educated. Get educated in all required areas. Some of us think that capital market brings success to those who understand charts. Riding on stocks merely reading charts is like seeing the elephant by the blind men. The story originated in the ancient Indian subcontinent, from where it has been widely spread as fable. In the story we came to know that "long ago six old men lived in a village in India. They were all born blind. One day those blind men heard that a strange animal, elephant, had been brought to the town but as they were blind, none could help them to make

A LONELY WALK

guess about its shape and form. Because of their curiosity they wanted to inspect and know it by touching the animal. They thought by this way they will be able to understand the shape of the animal. They managed a helper to take them to the animal. The first person, whose hand landed on the trunk, found the elephant like a thick snake. Another one whose hand reached its ear, it seemed like a kind of local handmade fan of palm tree leaf to him. As for another blind man, whose hand was upon its leg, said, the elephant is a pillar like a tree-trunk. The blind man who placed his hand upon its side, found the elephant as a wall. The blind who caught the tail, described it as a rope. The last one who felt its tusk, stating the elephant is that which is hard, smooth and like a spear.”

Now come to our capital market. I have observed that most of the investors in this market are like blind. They have partial knowledge about the market. For some, it is a place to make money by gambling. For some, it is a place to buy shares by taking suggestions from experts. For some, it is place to buy shares when charts suggests and to sell when the same suggests so. For some it is a place to invest by looking at the disclosed financials. For some it is a place to invest by looking at the company’s factory and premises. For some, it is a place to buy stocks by observing the market index, while for some it is a place to buy stocks based on rumors.

But my opinion is that, it is a place not for the so called ‘blinds’. It is place to check each and every issue of the company- its fundamentals, business, operations, management, prospects, past track record, dividend culture, etc., and finally comparing these with the present price level of the stock. If the price of the stock suggests that you are

buying asset at an attractive price, it is probably a promising investment. Before deciding to invest, please try to see the whole elephant.

Suggestions... Icons and me

Don't listen to them

Peter Lynch says, "This is investing, where the smart money isn't so smart, and the dumb money isn't really as dumb as it thinks. Dumb money is only dumb when it listens to the smart money." Here in our capital market too most follow smart money. Runs after stocks which are hot because of smart money. Also, I have observed that the common mistake that investors in our market make too is they try to find successful investors and start following them. Buy what they buy and sell what they sell. How could that be a good idea to follow anyone without knowing their purpose? Okay. What you can do is listen to them. Know what they are doing. And then use your own capability to analyze that investment's goods and bads. If the goods and bads fit in your strategy, you may think about investing. If there is anything that you did not like, I guarantee you may not take the pain of staying long in it if you don't know that the stock is for long term and by this time before giving the result there may be many downs. Then you will blame either the investor you followed or your fate. But it is neither the investor nor your fate who advised you to invest into that stock. You just followed them without making analysis on your own. Again, Peter Lynch. He said, "Stop listening to professionals! Twenty years in this business convinces me that any normal person using the customary three percent of the brain can pick stocks just as well, if not better than the average Wall Street expert." I also say, don't listen to them. One can pick good stocks

using even less percentage of brain also in markets like DSE. That should fit into any stock market. Lynch says, “There are at least three good reasons to ignore what Peter Lynch is buying: (1) he might be wrong! (A long list of losers from my own portfolio constantly reminds me that the so-called smart money is exceedingly dumb about 40 percent of the time); (2) even if he’s right, you’ll never know when he’s changed his mind about a stock and sold; and (3) you’ve got better sources, and they’re all around you. What makes them better is that you can keep tabs on them, just as I keep tabs on mine.”

Don’t believe verbal comments in social media

You may find many popular stock market related groups in social media. There you may find popular faces suggesting this and that. My suggestion is, hear what they say, but don’t believe them. They are actually marketing their stocks. They want to popularize their stocks for impacting the demand side of the stock for a price hike. There are many in social media with fake ID who are marketing agents of big gamblers. Under their posts you may find 100s of comments saying ‘yes boss’, ‘thank you’, etc. Probably they are all from the same terminal. Who knows if it is not? Don’t believe their suggestions but try to learn how to investigate on your own. Invest only if you find the rumor real and if the price is at reasonable range. But if you find many are talking about the same stock when price is high or the stock has risk factors, simply avoid the stock. Do not believe social media until you see real documentary photos or evidences about the company in the post. Even if there are photos with the post, try to investigate authenticity of the photo and use your own sources to cross check the story.

Define your position

Before you think about buying shares in stock market, you must define your position as investor or speculator. According to Benjamin Graham, “An investment operation is one which, upon thorough analysis promises safety of principal and an adequate return. Operations not meeting these requirements are speculative.”⁷⁵ If you are an investor, do not try to act like speculator in the market. Because strategies and styles of these two categories should differ. You may not like dancing a ballade on a rock music.

Where to invest?

According to Peter Lynch “A lot of money can be made when a troubled company turns around.” Looking back previous transactions, I was always looking for a troubled company almost reaching to its turnaround phase. Companies with growing pain are a bit different. Turnaround stocks may have recently suffered from financial difficulties due to many reasons. There may not have any growth prospects, while my growing pain companies are those that have growth prospects and due to growth by new projects and ventures, it was currently suffering from financial difficulties. Truly that gives money. ‘Turnaround stocks make up lost ground very quickly’ and that can be a good opportunity of making good money while a growing pain company has a better long term prospect.

But challenge is identifying a troubled company which is now in its turn around. Also knowing the lifecycle of the turnaround is important. Sometimes it is stretched long. Long may be painful for investors. Often long term time frame makes things uncertain.

Also, in a country having poor governance one should not invest in newly enlisted companies with less reputation. Due to lack of governance, if one think of finding a good stock from recently listed ones, it will not be a good idea other than in a few exceptions.

Peter Lynch says, “I’d rather invest in a company that makes drugs, soft drinks, razor blades, or cigarettes than in a company that makes toys.” Try to find companies that sell products that people must buy. In those categories if some companies have created brand value of their products, you may think about investing in that company’s stock.

Investors should focus on prospects in profitability of the company. An important note, “There are five basic ways a company can increase earnings: reduce costs; raise prices; expand into new markets; sell more of its product in the old markets; or revitalize, close, or otherwise dispose of a losing operation. These are the factors to investigate as you develop the story. If you have an edge, this is where it’s going to be most helpful.”

Where not to invest

Usually, I avoid companies that historically has a poor dividend policy or if its sponsor directors have tendency to sell their ownership in the company. Some companies do not offer cash dividend and only declares stock dividend without showing any physical evidences of growth prospects. I avoid those companies’ shares. Please check back to some of the companies that I have presented in the previous chapters where there was price fall while their dividend policy was poor. At the same time, directors also had a tendency to offload their holdings in the company or had a very small percentage of stocks. These indicate to me that the sponsors

are not confident about a good future of the company. So why shall I invest my money into their company? I simply avoid them. I ignore rumors on those stocks.

Avoid companies who acquire

According to Peter Lynch, “Instead of buying back shares or raising dividends, profitable companies often prefer to blow the money on foolish acquisitions.” I made this mistake. Ran after a company who wanted to merge with another old horse in the market. It is Lafarge Surma Cement when it declared merger plan with Holcim Bangladesh. I found it attractive venture. Invested total funds into this venture and incurred the largest amount of loss in my career in capital market.

Don't buy hot

Peter Lynch says, **“If I could avoid a single stock, it would be the hottest** stock in the hottest industry, the one that gets the most favorable publicity, the one that every investor hears about in the car pool or on the commuter train—and succumbing to the social pressure, often buys.” How to know that a stock is hot? Talk to manager of your stock brokerage branch, which stock to buy? Ask the same question to your colleagues in the market floor. They may suggest you a few stocks. I guess you will find a few hot stocks in the list. Hot stocks are those which are the market talking much about. Hot stocks are trading in high volume for the last few weeks and price is already doubled or tripled or reached to historic all time high. If you visit social media, you will find that people are talking about the stock. If you ask for suggestions for stocks, they will advise stocks to buy which are already over heated. If you ask them a simple question, “why should I buy that stock” at that high price (?), you may not find a suitable answer. These are hot stocks. The best suggestion

that I can offer in this book is, avoid those stocks. Don't buy them. Instead, if you have some of it in your portfolio, consider selling them. They may go beyond. But if you don't know the cause, why will you buy or hold that stock beyond reasonable price?

Though I prefer to recall what Benjamin Graham suggests on this issue. He says, "Buying a neglected and therefore undervalued issue for profit generally proves a protracted and patience-trying experience. And selling short a too popular and therefore overvalued issue is apt to be a test not only of one's courage and stamina but also of the depth of one's pocketbook. The principle is sound, its successful application is not impossible, but it is distinctly not an easy art to master."⁷⁶

When to invest?

First rule is wait for a bottom price and invest when uptrend starts. Usually, a new project of a good company takes time to start generating return. On initial news of investment in a project is not the time to invest but to start following. After the initial news of investment in a promising project, follow progress continuously. When the total project is completed and awaits starting operation is a bit early though but a safe time to invest. Any moment after that the news may arrive in the market or the firm's financials may show result of the project. Usually, an expansion takes three to five years to reach that phase after first news or decision. Also, it is important to make a good assessment of the impact of the project. If it has a good impact both on financials of the company or simply emotions of the investors, it is a project to follow as an opportunity.

From the 15 years record (Please check updates too) I found

my portfolio always fully invested. I love stocks, not cash. I hear a common suggestion from so called experts who try to prove themselves as experts in stock market of Bangladesh, ‘always’ keep cash. I do not suggest so. Cash is probably preferred by traders in stock market. Investors don’t.

Single asset or a portfolio?

Don’t Put All Eggs in a Single Basket

Vs

Kiosaki’s suggestion to invest in the best

Andrew Carnegie a century ago said, “Put all your eggs into one basket and then watch that basket.” For me it is finding the best and investing in it is the best approach to become rich. It is suggested by most of the portfolio managers or stock market experts to make a portfolio of stocks. That is a conservative approach. As for example Peter Lynch suggests to add an eleventh tenbagger stock with other ten that may help doubling the portfolio value at the end of third year. Question is if I had known that the eleventh stock will produce a tenbagger, why shall I not invest all my money in the eleventh? And how do I know that the eleventh is the tenbagger? To put the tenbagger in my portfolio I have to try all enlisted in the stock exchange or I have to have that skill to know a tenbagger well ahead. If I have the ability to identify the tenbagger, I shall invest all my money in the tenbagger. I believe in 1 or all good stocks. Benjamin Graham points out, “the really big fortunes from common stocks” have been made by people who packed all their money into one investment they knew supremely well.”⁷⁷

When to sell?

It is even a bigger challenge. I always suffered in finding the best point to sell. In most of the cases I could not find the top. I had no clue. But I relied on my sense. When felt risky to continue holding, based on market behavior and volume of transaction, I sold. But often I found it wrong. The stock went beyond my expected price. In many cases I took the pain of holding and waiting till end of turnaround phase, while could not bag the benefit. Wait a minute and listen to the experience of Peter Lynch. He shares about a case, "Six months or so had passed, and Warner had risen from \$26 to \$32. Already I was beginning to worry. "If Warner was extremely extended at \$26," I argued to myself, "then it must be hyperextended at \$32." I checked the fundamentals, and nothing there had changed enough to diminish my enthusiasm, so I held on. Then the stock hit \$38. For no conscious reason I began a major sell program. I must have decided that whatever was extended at \$26 and hyperextended at \$32 has surely been stretched into three prefixes at \$38. Of course, after I sold, the stock continued its ascent to \$50, \$60, \$70, and over \$180. Even after it suffered the consequences of the Atari fiasco, and the price declined by 60 percent in 1983–84, it was still twice my exit price of \$38." This experience of Peter Lynch should give consolation to me. Experienced master investors also make similar mistakes in finding right time to sell. It is really challenging. That is why it is better to sell when you are happy with the profit that already the stock has produced for you and if you really feel that the price reaches to its optimum target. In real term that may produce more than you have taken, but as per your estimates those are beyond rational. So, don't wait for anything that is not rational. I do not.

According to Peter Lynch, “The best time to sell a turnaround is after it’s turned around. All the troubles are over and everybody knows it. The company has become the old self it was before it fell apart: growth company or cyclical or whatever. The shareholders aren’t embarrassed to own it again. If the turnaround has been successful, you have to reclassify the stock.” In National tubes limited, I did. But it continued to rally. In case of turnaround companies, investors should not hurry in selling the stock. Instead, they should calculate the length of the trouble phase of the company and the original base price. If the turnaround phase is over and if the restructured company has potential of going back to its original performance trend at least, wait a few more months. It will probably give you many times than you think. But the quality one must possess in him, is patience.

Don’t overlook family and religion

I have heard from many investors suggesting not to mix up investment and life or religion. Once I was added in a facebook stock investment group where I suggested not to buy a stock for it is in unethical business or its management was not following ethical practices. The group admin advised me not to bring those things in stock business or investment. I immediately decided to leave the group. I don’t think that a business is outside of what we do for our life and peace. A business without life and family cannot earn peace. A business without peace cannot be healthy and live long. Religion is part of most of our life and it helps us to earn peace in life. That is why my suggestion is not to give up family and religion while investing in stocks for becoming rich.

Though I know that this book may reach to readers from different religions, but as I am telling you what I did, and

you may be surprised to notice that I do not have Banks, Insurance companies, Leasing firms and Mutual funds in my recent years' list of portfolio or investment, actually I don't have these because I wanted to avoid *riba* or interest bearing income as it is not permissible for a Muslim... and I am a Muslim. In my early years in the DSE I used to buy shares of Banks, Insurance companies, Leasing firms and Mutual funds, while later I realized that these are of categories that I have to avoid due to my religious faith; I started avoiding them.

From the same principle, I do not buy stock from borrowed funds. I buy from my own capital. I buy stocks from what I save. That habit keeps me in peace. I feel no pressure of sell when the market is not performing well. Actually, because of this principle of buying stocks from own extra cash I have, nobody in this market rules me. I can rule my portfolio instead.

To me it is not important how much money I have earned, but it is important how much money I have earned without making my this and next life complicated.

Growth always does not help to grow

Benjamin Graham says, "Obvious prospects for physical growth in a business do not translate into obvious profits for investors." From my experience I believe the same. An addition of a project of Summit Alliance Port Limited helped my portfolio to grow, while a more definite growth in size of business of Linde Bangladesh Limited did not contribute to growth in equity of my portfolio. ACI Limited has achieved manifold growth in business in the last five years while its price has dipped by at least three times during this period.

Because of that, investors should not run after physical growth but on per share growth prospect in terms of income and assets. That may help grow dividend per share and hence the equity contributed by share price in the market.

Focus on number of shares, not profit....

Throughout my career what I focused on is increasing the number of shares more than capital gain. The stocks that I focused on of the good companies that have good business in good sector, good growth, and good dividend practices. My philosophy is that if by switching stocks I can increase number of stocks of my desired company, I shall be able to earn more dividend than if I had not done this. When I see, that I have been able to buy more shares than earlier of a stock that I have in desired list, I think myself gainer as now I can earn more dividend than earlier.

Remember Benjamin Graham's "Rules for the common-stock component"⁷⁸

The selection of common stocks for the portfolio of the defensive investor should be a relatively simple matter. Benjamin Graham suggests four rules to be followed:

1. There should be adequate though not excessive diversification. This might mean a minimum of ten different issues and a maximum of about thirty.
2. Each company selected should be large, prominent, and conservatively financed. Indefinite as these adjectives must be, their general sense is clear.
3. Each company should have a long record of continuous dividend payments.
4. The investor should impose some limit on the price he will pay for an issue in relation to its average earnings over, say, the past seven years. We suggest that this limit be set at 25 times such average earnings, and not more than 20 times those of the last twelve-month period. But such a restriction would eliminate nearly all the strongest and most popular companies from the portfolio. In particular, it would ban virtually the entire category of "growth stocks," which have for some years past been the favorites of both speculators and institutional investors. We must give our reasons for proposing so drastic an exclusion."

My Rules

From my investment history it is observed that I did not follow Graham's first two rules. I prefer to concentrate in one stock and I prefer stocks with low paid-up capital. I like companies that follow conservative financing strategy though, I often invested in very aggressively financed companies like ACI limited. In this book, I prefer to present the rules based on my study in my own portfolio and my learnings that may best suit in capital market like where I deal in.

Rule 1: Don't follow others. Listen to their analysis and logic. But follow your own judgement.

Rule 2: Follow fundamental analysis to know which company is fundamentally good and which company is in bad condition. But don't invest in a company's shares that is performing better in recent years than previous years. Because the share price should already have responded to the performances. That will not give good return in the form of capital gain unless you foresee some even better fundamental performances in upcoming years.

Rule 3: Follow technical analysis to know what technical analysts are telling about individual stocks. But don't invest based on technical analysis unless it is at the bottom and fundamental and prospect analysis supports investing in the stock. Please note, if you are a trader, my suggestion is not for you.

Rule 4: It is the golden rule. Find companies with good corporate culture and management that is showing pain in financial statements due to recent investments for growth. Analyze the feasibility of the investments. Collect updates on the investment projects. If it is on the final phase, has achieved good progress and the operation from the new investments

are near to start, you may consider it as a time to invest. If due to recent financially weaker performances caused by the investment projects, the share price of the company has gone down to historic low, if you invest at this stage, probably you have to wait for some times. But as sensitivity has not been created yet, you may take the full advantage of the price sensitive information coming in near future.

Rule 5: If any new information impacts seriously to the previous buy, take it seriously. Investigate further and if the new negative information is correct and is going to change the previously anticipated result, correct your investment decision immediately or remain awakened and wait for appropriate timing.

Rule 6: Practice. I believe in 10000 hours rule. I spent about 15000 hours plus on following the trade of my stocks, searching for news and information, analyzing data for finding stocks and taking decisions, etc... and still learning from my mistakes.

Rule 7: Collect information. Consider the following methods for collecting information before investing.

- Visit Company;
- Investigate in social media, follow company officials' posts, etc. if any;
- Search in newspapers for company related news;
- Watch YouTube videos relevant to company;
- Thoroughly go through annual report and quarterly reports;
- Chairman's reports and directors' reports are the two things that I read carefully to notice any future direction and I compare the previous annual reports

to check if these things are just statements said every year or these are serious notes or there is anything new in their statements. I check cash flow statements to know if the company is in the final stage of its investment in projects or where the cash really flows in or out. I also want to know how much cash inflows as loan and where have those loans been utilized

Rule 8: Avoid loan and follow the principles of your religion. Respect your family and share things with them. Hopefully you may find inner peace in this market.

Rule 9: Avoid companies where the sponsors are taking exit from. Also avoid companies which does not have ability to offer cash dividend to the shareholders. Try to find companies that have a good dividend practice, which mix a sweet combination of cash and stock.

Rule 10: Beware of the Truth you see in this market. Once I heard a story from my friend to recall from a painting of Jean-Léon Gérôme (1896). He made the painting based on an incidence he saw to recall at this point. One day the Truth eventually meet the Lie. The Lie said, "It's a marvelous day today." The Truth looks up and saw the day was really beautiful. They spent time together and arrived near a well. The Lie tells the Truth," The water is very nice, let's take a bath together!" The Truth still suspicious tests the water and discovers that it indeed is very nice! They undress and start taking bathing in the well. Suddenly the Lie comes out of the water, puts on the clothes of the Truth and runs away. The furious Truth comes out of the well and runs everywhere to find the Lie and to get her clothes back. 'The world seeing the Truth naked turns its gaze away, with contempt and rage.' The poor Truth returns to the well and disappears forever, hiding therein. Since then, while the world does not wish to

meet the naked Truth again, the Lie travels around the world, dressed as the Truth, satisfying the needs of the society. My friend who told me this story said, she saw the Lie dressed as the Truth several times in our capital market. I have no idea about this though. Still, as a cautious step, I shall beware of the Truth I see in the capital market.

WARning

On 24 February 2022 Russia starts Europe's "Biggest war since 1945" by launching a 'full scale invasion' of Ukraine. In response, European Union and the United States have issued economic sanctions against Russia. The later considers this as an economic war against it. BBC warns on March 4 that the "war in Ukraine is a catastrophe for the world." A news report says that Sri Lanka economy is severely affected by the war in Ukraine. At this stage I am unsure about future of my portfolio. Because it may hamper businesses in Bangladesh as now we live in a more global world. I recall a quote,

"War destroys more than cities- it destroys generations of dreams and hopes and education and possibility."

-Ann Voskamp

...I have restructured my investment. I think in this situation a diversified portfolio is safer. New portfolio reflects a blend of prospect analysis, situational analysis and conservatism.

Updates

Please check the portfolio as at 5 December 2022 and compare

that with of 30 June 2023. By 5 December 2022 I made a portfolio with stocks of as many as seven companies. On 30 June 2023 again I am switching back to single stock portfolio. Though not fully yet. Please also check the equity value of these two dates.

ICB SECURITIES TRADING COMPANY LIMITED

(A Subsidiary of ICB)

Raishahi Branch

Dr. Gaffar Plaza (4th Floor), Main Road, Shaheb Bazar, Ghoramara,

Rajshahi, Phone : 0247-812194, E-mail : istclraj@gmail.com, Web :

www.istcl.com.bd

TODAY'S PORTFOLIO STATEMENT

Client Code: RAJ

Name: 陈子豪

Date: 05-Dec-2022

BO ID: 120310

A/C Status: Active

A/C Type: Direct Trading Account

Company Name	Total Qty.	Saleable Qty.	Avg. Rate	Cost Value (TK.)	Closing Price	Market Value (TK.)	Realize Gain/(Loss)	Unrealize Gain/(Loss)	% of Invest
Non Marginalable Securities									
EASTRNLUB	6,442	6,442	1,844.05	11,879,393.94	1,856.30	11,958,284.60	0.00	78,890.66	38.44
				11,879,393.94		11,958,284.60	0.00	78,890.66	38.44
Marginalable Securities									
JAMUNAOIL	10,000	10,000	168.18	1,681,846.73	171.50	1,715,000.00	(806,622.52)	33,153.27	5.44
LHBL	11,000	11,000	65.46	720,011.25	66.50	731,500.00	324,530.29	11,488.75	2.33
LINDEBD	8,150	8,150	1,535.53	12,514,548.45	1,397.70	11,391,255.00	(556,086.12)	(1,123,293.45)	40.50
MLJLD	10,000	10,000	88.31	883,080.00	86.70	867,000.00	(358,009.31)	(16,080.00)	2.86
MPETROLEUM	15,000	15,000	202.71	3,040,617.33	204.80	3,072,000.00	462,388.82	31,382.67	9.84
SAPORTL	5,000	5,000	36.13	180,630.00	30.40	152,000.00	10,652,604.92	(28,630.00)	0.58
				19,020,733.76		17,928,755.00	9,718,806.08	(1,091,978.76)	61.56
			Total:	30,900,122.69		29,887,039.60	9,718,806.08	(1,013,088.09)	32.98

Account Status Till Today

Available Balance	:	12,878.51	Cost Value of All Securities	:	30,900,127.69
Receivable Sales	:	0.00	Market Value of All Securities	:	29,887,039.60
Unclear Cheque	:	0.00	Equity	:	29,899,918.11
Ledger Balance / (Loan)	:	12,878.51	Marginal Equity	:	17,941,633.51
Deposit Withdraw Status			Non Marginal Equity	:	11,958,284.60
Deposit Amount Tk.	:	4,611,600.00	Sanction Amount	:	0.00
Share Transfer In Tk.	:	111,443.75	Loan Ratio	:	0.00
Total Deposit	:	4,723,043.75	Debt to Equity Ratio	:	0.00
Withdraw Amount Tk.	:	2,860,600.00	Purchase Power	:	11,878.51
Share Transfer Out Tk.	:	0.00	Withdraw Limit	:	12,878.51
Total Withdraw	:	2,860,600.00	Excess Over Limit	:	0.00
Net Deposit / (Withdraw)	:	1,862,443.75	Allocated Dividend	:	0.00
Realized Charge Status			Right Investment	:	0.00
Realized Interest	:	0.00	IPO Application	:	0.00
CDBL Charge & Others	:	153,483.61	Capital Gain		
Total Realized Charge	:	153,483.61	Realized Gain/(Loss)	:	46,282,789.37
Interest Accrual	:	0.00	Unrealized Gain/(Loss)	:	(1,013,088.09)
CDBL Charge	:	3,258.74	Net Gain/(Loss)	:	45,269,701.28
Receivable (Maximum)	:				
Fund withdraw Request	:	0.00			

Portfolio as at 5 December 2022

Notes

1. Malcolm Gladwell, Outliers, Penguin Books, New Delhi, 2009.
2. $\text{Net investment} = \text{Total investment} - \text{Withdrawal}$.
3. Equity is net worth of the portfolio on a specific date. It is equal to market value of securities in the portfolio plus cash balance on the specific date.
4. $\text{Net equity} = \text{Equity} - \text{investment}$
5. Research and Innovation Lab, Royal Capital Limited, www.arthosuchak.com, 24 June, 2020, retrieved on 25 June, 2020.
6. DGEN is for DSE general index that is now called DSEX.
7. You are probably interested to check the portfolio data of years. Email the author for the link.
8. Refers to Today + 2 working days. These rules are valid as at 28 february 2022.
9. This section was written in 2020. Thus company related data are upto 2019.
10. DSE=Dhaka Stock Exchange
11. BDT=Bangladesh Taka
12. EPS= Earnings Per Share
13. Bracket indicates negative.
14. NAV=Net Asset Value
15. Subramaniam and John Wild, p. 4
16. Stockbangladesh, amarstock, etc. are some of them in Bangladesh.
17. While, in my case- at present I have selected a company (ACI Limited) that have a high ratio of credit against equity that is causing ongoing sufferings in the company's profitability and that is risking sustainability

of the company. But analysis of other aspects of the company helped me to overlook that situation of over borrowing of the company from external sources. It will take time to know my success or failure in this venture. May be that will be another story to tell in the future.

18. Neil C. Churchill and John W. Mullins, How fast can your company afford to grow?, *Harvard Business Review*, May 2001, pp. 135-142.
19. Charlene I. Nicholls-Nixon, Rapid growth and high performance: the entrepreneur's "impossible dream?", *Academy of Management Executive*, 19:1, 2005, pp. 77-89.
20. Gary M. Cunningham and Jean E. Harris, Enron and Arthur Andersen: The Case of the Crooked E and the Fallen A, *Global Perspectives on Accounting Education*, Volume 3, 2006, 27-48.
21. ACI Limited, my current stock, has similarities with Enron in many ways. But one major difference with Enron is that ACI Limited is dealing with tangible assets compared to Enron's intangible assets. All investments of the company have physical existences. But the fast growth of the company has risk. It has risk. My fortune has become part of that risk. One good thing. As I am with it, at the end of the day, I hope I shall be able to tell you the outcome of living with calculated risk in ACI limited.
22. Moran, J. W. and Brightman, B. K., 'Leading organizational change', *Career Development International*, 6(2), 2001, pp. 111-118.
23. Balogun, J. and Hope Hailey, V., *Exploring Strategic Change*, 2nd edn., London: Prentice Hall, 2004.
24. Burnes, B., *Managing Change: A Strategic Approach to Organisational Dynamics*, 4th edn., Harlow: Prentice Hall, 2004.
25. Quinn, R. E., *Building the Bridge as You Walk On It: A Guide for Leading Change*, San Francisco: Jossey-Bass, 2004.

26. Gersick et al., 1997, p. 16
27. Benjamin Graham, *The Intelligent Investor*, Harper & Row, 1949, p. 4.
28. MW=Megawatt
29. Mustafa K. Mujeri and Tahreen Tahrima Chowdhury, 'Quick Rental Power Plants in Bangladesh: An Economic Appraisal', 2013, Bangladesh Institute of Development Studies, retrieved from www.bids.org.bd on 7 July, 2020.
30. ibid
31. Retrieved on 08 July, 2020 from <https://m.timesofindia.com> as story published on March 26, 2010.
32. The daily star, Court ruling sends Lafarge into tailspin, February 08, 2010, retrieved on 9 July, 2020 from www.thedailystar.net
33. Face value of shares were BDT 100.
34. The daily star, Court ruling sends Lafarge into tailspin, February 08, 2010, retrieved on 9 July, 2020 from www.thedailystar.net
35. the daily star.net, *Rajshahi gets gas supply*, January 31, 2012, Retrieved on 28 June, 2020.
36. Annual Report, 2009, p.11
37. Ltd.=Limited
38. Annual Report, 2014-5, p.7
39. Annual Report, 2014-5, p.11
40. Annual Report 2013-4, Atlas Bangladesh Ltd., p. 9
41. Annual Report 2014-5, Atlas Bangladesh Ltd., p. 7
42. <https://mnacritique.mergersindia.com> on 20 July 2020
43. <https://www.thedailystar.net>, retrieved on 20 July 2020.

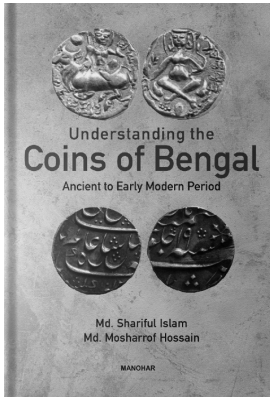
44. <https://www.dhakatribune.com>, retrieved on 20 July 2020.
45. <https://www.daily-sun.com>, 6 April, 2017, Retrieved on 21 July 2020.
46. <https://www.thedailystar.net>, 11 June 2017, retrieved on 21 July 2020.
47. <https://www.thedailystar.net>, 15 June 2018, retrieved on 21 July 2020.
48. <https://excelerateenergy.com>, on 25 July 2016, Retrieved on 23 July 2020.
49. <https://thefinancialexpress.com.bd>, on 5 March 2018, Retrieved on 23 July 2020.
50. <https://bdnews24.com>, Beximco buys into Singer, November 07, 2010, Retrieved on 24 July 2020.
51. <https://reuters.com>, Turkey's Arcelik working on deals to expand abroad, 20 March 2017, retrieved on 24 July 2020.
52. <https://www.prnewswire.com>, Arçelik to Acquire Singer Bangladesh Operations for \$75 Million, retrieved on 24 July 2020.
53. <https://www.seatrade-maritime.com>, China EximBank offers \$185m loan to Bangladesh Shipping to build six ships, 27 January 2015, retrieved on 24 July 2020.
54. <http://old.unb.com.bd>, 'Banglar Joyjatra', 'Bangla Samriddhi' to be commissioned in September, 28 April, 2018, Retrieved on 24 July 2020.
55. <http://m.theindependentbd.com>, BSC tower opens tomorrow, 14 April 2017, Retrieved on 24 July 2020.
56. TPD=Tons Per Day
57. MNC=Multi National Corporations
58. <http://www.linde.com.bd>, Linde breaks ground for Bangladesh's largest liquid producing air separation

- unit, 5 April 2016, retrieved on 25 July 2020.
59. <https://www.dhakatribune.com>, ACI subsidiary losses: Inquiry report to be submitted this week, 26 February, 2019, Retrieved on 29 July 2020.
 60. <https://www.dhakatribune.com>, ICB representative resigns from ACI board over 'Shwapno' issue, 20 August 2019, Retrieved on 29 July 2020.
 61. WHO=World Health Organization
 62. <https://www.dailystockbangladesh.com>, 12 January 2020 retrieved on 3 August 2020.
 63. <https://www.newsg24.com/economy-news/196/find-ou>, 9 February 2017, retrieved on 3 August 2020.
 64. <https://www.jugantor.com/todays-paper/last-page>, 11 March 2019, Retrieved on 3 August 2020.
 65. <http://www.newagebd.net>, Controversial United Airways loan proposal, 29 March 2020, retrieved on 4 August 2020.
 66. <https://www.thedailystar.net>, C&A Textiles becomes turnover leader on debut, 22 January 2015, Retrieved on 4 August 2020.
 67. <https://bizdatainsight.com>, Investors of C&A Textile and Tung Hai Knitting face troubles: No disclosure in 18 months, 22 March 2019, Retrieved on 4 August 2020.
 68. <https://www.thedailystar.net>, Regulator serves notice on RN Spinning, 25 September 2012, Retrieved on 8 August 2020.
 69. <http://www.newagebd.net>, BSEC opens fresh inquiry into RN Spinning rights share anomalies, 9 December 2016, Retrieved on 8 August 2020.
 70. <https://tbsnews.net>, 6 poor performing companies struggle to survive, 25 November 2019, Retrieved on 8 August 2020.
 71. <https://thefinancialexpress.com.bd>, RN Spinning

Mills decides to reduce paid-up capital, 9 June 2020, Retrieved on 8 August 2020.

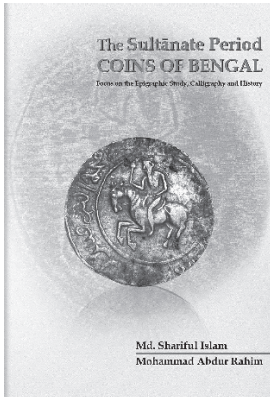
72. Closed Mithun Knitting Factory Auctioned as Liabilities Mount, *The Business Standard*, November 1, 2021, retrieved from www.tbnews.net on December 1, 2021.
73. *ibid*
74. Report taken on 4 August 2020. Taken from notebook record.
75. *The Intelligent Investor*, Revised Edition, Benjamin Graham, (ed. Jason Zweig), Harper Business Essentials, p. 18
76. *ibid*
77. *ibid*
78. *ibid*

More to read from Md. Shariful Islam



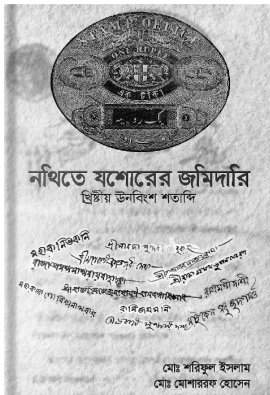
Understanding the Coins of Bengal (Ancient to Early Modern period)

Published by: Manohar Publishers &
Distributors
New Delhi, India



The Sultanate Period Coins Bengal (Focus on the Study, Calligraphy and History)

Published by: black N Orange
Dhaka, Bangladesh



নথিতে যশোরের জমিদারি (খ্রিষ্টীয় ঊনবিংশ শতাব্দী)

প্রকাশক: ছায়াবিথী
ঢাকা, বাংলাদেশ

